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# ***JPRS Report***

# **Latin America**

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# Latin America

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## **Figueiredo Manifesto Attacks Sarney Administration; Reaction**

### **President Criticized**

33420009b Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 15, 16 Oct 87 p 2

[Text] Former president Joao Figueiredo published a statement to the nation yesterday in which, after making a somber analysis of the political, economic and social situation in Brazil, which he said is the result "of totally negative public administration," he warned that "uncontrollable social forces which could lead this country toward serious convulsions are beginning to move." And he said he felt it his duty to warn "the Brazilian people and their leading elite of the danger, in which we all find ourselves, of entering into a situation from which it would be very difficult to extract ourselves."

The only way "of avoiding the greater evil," Figueiredo noted, "is to defend the nascent Brazilian democracy and the union of the democrats, the truly responsible men and women, the parents and the young people anxious for a less threatened future—in a word, all of those who are concerned with the national question."

Figueiredo said that this union "should be created by the processes of persuasion which prevail in a democracy, and not through enticement by spurious interests which threaten to compromise the very National Constituent Assembly itself, and which have already attempted, as is public knowledge, to sponsor a system of government for the presently dominating group and the other which would replace it."

The reference to the methods used by the present government was still clearer when Figueiredo described it as "mainly and primarily responsible for the almost desperate situation which we are approaching," instead of setting forth "a path, a guideline, a goal, in order to lead the people to a safe port." He stated that it has done nothing but talk "of a false half-union of the nation in which the dominant power dictates the conditions and even demands countersignatures, as if doubting the intention of the partners, in an unquestionable demonstration that the goal is only power for the sake of power, regardless of the cost."

The statement by the former president was particularly sharp in analyzing the present government, which, in his opinion, "begins again every 3 months and has already had seven administrative and economic plans." And he listed what he calls the "multiple evidences of deterioration" in the basic aspects of the nation. "It is not paying its foreign debt, is not redistributing domestic income, and is not investing in productive activity. The wages of the civilian and military government employees" are constantly dropping in real value, "commercial sales are

declining, industry is receiving ever fewer orders, unemployment is on the increase" and there is a drop in food consumption, "a significant indication of the decline in purchasing power."

All of this, Figueiredo said, will lead to what he calls a "social tidal wave, a gigantic clash of forces moving in opposite directions," while the government "is closing its eyes in an authoritarian and illegitimate attempt" to alter the Constituent Assembly. The former president concluded with a defense of direct elections.

### **Reactions From Officials**

33420009b Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 16 Oct 87 p 2

[Text] "If this statement had come out 4 years ago, it would have been perfect self-criticism," Brig Gen Octavio Moreira Lima, minister of air, made a statement in Brasilia yesterday about the document published by former president Joao Figueiredo criticizing the Jose Sarney government. In an informal talk with newsmen, Moreira Lima said that the worst problems faced by the present government—"very high interest rates, wage shrinkage and the new foreign debt total"—are "the legacy left by the last government."

The Army reaction to the statement by General Figueiredo was one of total caution. The Public Relations Center had no comment to make. Unofficially, however, it was admitted that such statements by reserve officers "are traditional," although they nonetheless "cause the military ministers concern."

"We have succeeded in doing away with the monster of authoritarianism, but the debris, difficult to remove, is still there, and often it is President Sarney who is the main victim." This was the reaction of Deputy Ulysses Guimaraes to Figueiredo's statement, immediately after he took office as interim president of the republic. "Brazil is seeking and has found a path," he stated. "It lacked a direction under the authoritarian regime for 20 years, and we inherited this situation." Ulysses Guimaraes cited the statement by the German poet Goethe to the effect that "it is easier to kill a monster than to remove his remains."

In Porto Alegre, Minister of Justice Paulo Brossard made no attempt to conceal his dissatisfaction. "The former president asked that he be forgotten when he left government office, and it is too bad that he has not taken his own advice." Brossard did however avoid saying whether he also believes that the crisis in the country, which the former president said can only be avoided "by defending the nascent Brazilian democracy," is growing more acute.

Governor Moreira Franco of Rio did not wish to go into detail about the statement made by former president Figueiredo, but he allowed himself an ironic comment about the warnings issued by the general as to a "social



tidal wave, a gigantic shock between forces moving in opposite directions, while the government closes its eyes in an authoritarian and illegitimate attempt to modify the Constituent Assembly." The term meaning tidal wave he used is an Amazon River phenomenon, Moreira said, "and if this is accurate, it is the governor of Amazonas who should concern himself."

"The major tidal wave President Sarney is facing is the damnable inheritance of the errors of the Figueiredo era," Deputy Carlos Sant'Anna, the government party leader, said. He observed that the country does not share the yearning for the past evidenced by the former president. And he asked a question. "Why is it that the general did not do all he is preaching now when he headed the government, instead leaving the country in an almost bankrupt situation?"

Senator Jarbas Passarinho, who was minister of social welfare under Figueiredo, interpreted this statement as "an appeal to the center sector to organize itself politically." Minas Gerais Senator Itamar Franco, with no party affiliation, expressed concern. "At a time of national crisis," he said, "such a statement is inevitably worrisome. The government needs to pay attention to factors which could lead to the destabilization of the civilian regime." The leader of the PCB, Deputy Roberto Freire (Pernambuco), also indicated his fear that there will be a "movement on the part of civilian and military sectors of the right wing toward institutional destabilization." In the opinion of the vice leader of the PT, Deputy Jose Genoino (Sao Paulo), "This is a right-wing scuffle between those who are in the government and those fighting for space in it." In this battle, he said, "There is no risk of regression or of a coup."

The leader of the PFL in the Constituent Assembly, Deputy Jose Lourenco (Bahia), commented as follows: "I am rereading Father Vieira's 'Sermons.' I cannot divert my attention to an unknown, novice author." And the governor of Sao Paulo, Orestes Quercia, argued that as a former president of the republic, General Figueiredo is not in a position to criticize his successor, "since his was a weak government."

5157

#### **Former Justice Minister Refutes Rightist Coup Rumors**

33420012a Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 15 Oct 87 p 3

[Text] Rio de Janeiro—Former Minister Armando Falcão has assigned little importance—almost none—to the rumors started by the Left—whose infiltration of the major media still exists—to the effect that a rightwing coup is underway against the democratic institutions in Brazil. Falcão has been telling his friends that the poppycock about a coup has long been one of the favorite concoctions of the traditional alliance of communists

and corrupt persons whose arsenal of falsehoods, infamies, and slanders in the service of the incompetence that has dominated Brazil includes a new weapon every day—but that the major objective of that spurious alliance is, in short, the permanent demoralization of the democratic system through insane populism and growing state control. As its final result, that would also lead to the demoralization of the Armed Forces, which today are still the chief obstacle to the establishment in our country of the socialism that is the dream of the "progressive" church and its communist allies on the political level.

Falcão has also been reiterating that he will no longer keep silent, even though he is becoming increasingly disappointed by the weakness of Sarney, who is the victim of his own skillfulness in courting the Left, and that we must be done once and for all with the notion that the citizen's freedom is unlimited, that fake intellectuals can use all their tired and teratological arguments against normal human beings, and that the modern world belongs solely to freakish minorities such as gays. In short, the time has come to put a permanent end to that systematic demolition of democracy which is based on the distillation, in massive doses, of "theories" and "ideas" which do not flourish in countries dominated by monolithic police systems like those in the GDR, Hungary, Poland, Albania, and, chiefly, the Soviet Union and which serve to hamper development in the democracies.

Falcão, who is one of the few men in public life not to have renounced his own past as a loyal servant of the authoritarian period that began with Castello Branco, believes that the Brazilian situation is growing steadily more serious and dangerous. He deplores the current administration's lack of authority, but reiterates that basically, the military with whom he has always been quite closely associated want to see democracy strengthened in Brazil and that they always firmly reject anything that would connect them with a new phase of authoritarianism.

The national subconscious is now completely at the mercy of the center-left's ideology, which is openly attracting even a few sectors of the business community, notably the sector that is participating most actively and sympathetically in the union policy of the National Confederation of Industry [CNI]. The chairman of that organization, Senator Albano Franco, a young and oh-so-modern nationalist, has been convinced by muses of the likes of Maria de Conceicao Tavares and Belisa Ribeiro—both royally paid by the CNI—that "the world is moving to the left." Hence the existential conflicts being experienced by the rich businessman from Sergipe despite the airs he puts on as a Luso-Caete xenophobe [Caete refers to a native tribe in early Brazilian history] whose ancestors savored the taste of shipwrecked bishops—airs which lead him to engage in the constant courting of certain union leaders and of leftists in general, although the latter are concerned only with getting



money out of such employers' organizations as the SESI [Industrial Social Service], the SENAI [National Service for Industrial Apprenticeship], the IEL, and so on.

Basically, Franco's recent failure to speak out on the issue of job stability was due simply to his lack of culture and proverbial inability to say no to native and populist demagoguery, that being his favorite environment even though he is one of multinational Coca-Cola's fortunate licensees. Franco is the committed offspring of the system founded by the Getulio Vargas movement, which, for the purposes of elections in employers' associations, placed the votes from a powerful modern state such as Sao Paulo—one of the largest industrial centers in the world—on the same footing as those from Sarney's Maranhao, Silva's Piaui, and the Franco family's own Sergipe. That is the sort of topic which no one dares bring up in this country of "good buddies," indulgent individuals, and connivers—in short, of scoundrels, with or without white collars. It also explains the demoralization of the Constituent Assembly that is now in session—and the urgent need for greater authority there for true liberals and democrats so that they can defend, preserve, and strengthen freedom among us.

11798

#### **UDR, UBE Join Forces To Counter Left in Constituent Assembly**

33420020 Sao Paulo VEJA in Portuguese  
11 Nov 87 pp 28-33

[Text] There is a political commonplace that says that the Left is divided even in jail and in exile, while the Right holds together under any set of circumstances. During the last 9 months, since the beginning of the Constituent Assembly in Brasilia, this adage has proved untrue, based upon the disorganization of the Right with regard to everything. Last week, the situation was dramatically changed. For the first time, the conservative bloc, which comprises business, agriculture, merchants and politicians, fell into step as regards their common interests. In a sudden movement that betrays nervousness and haste, and in which the sound of the megaphone of the urban businessman overlaps with the shouting of the Rural Democratic Union, the UDR, half a dozen indications were given of unity among the rightists, and of several secret meetings to consolidate that unity, while, at the same time, there was a funereal silence within the ranks of the Left.

All of a sudden, two entities—the National Front for Free Initiative and the Brazilian Union of Businessmen (UBE)—that have been receiving mouth-to-mouth resuscitation for some time, and have melded the leaderships from several sectors, seem vigorously prepared to defend free initiative and to attack the source of their ill humor of the moment: the Commission for Systematization of the Constituent Assembly. The commission is responsible for the preparation of the future constitution, and the businessmen are protesting the fact that, as they see it,

the commission is dominated by the left. Within the Assembly, there is a conservative bloc of the same mind which refers to itself as "the big center." It holds the majority of votes in the Assembly—more than 300 according to a count made on Friday—and it intends to perform surgery on the Constitutional project, which will land in the plenary assembly in a few days. The members of the "big center" guarantee that the operation will be performed with the right hand.

Another person anxiously involved in this urban scenario is Dr. Ronaldo Caiado, age 37, of Goias, who is president of the UDR, an organization that has 230,000 members throughout the country, and has given its entire support to the achievement of agrarian reforms that will leave the Brazilian agricultural structure just as it always was. This weekend, in Brasilia, the UDR will conduct the "biggest cattle auction in the world," where it will offer 10,000 head of cattle at a celebration that will be part of the Torto Grange meeting; it will be a power play made only a few kilometers from the halls of Congress where their interests are on the table.

The union of megaphone and cattle-cry in the same orchestra that has already won the 300 cornets of the "big center" ought to produce a lot more than just music. "It's the most important showing that the country has seen in years," says Ronald Caiado. "The businessmen should be reinforcing the Constituent Assembly rather than criticizing it," warns Senator Fernando Henrique Cardoso (PMDB-SP), concerned about the noise he heard last week. "Without the Constituent Assembly, we return to the military way," he said.

#### **Guarantee of Assistance**

Based upon calculations made by Deputy Guilherme Afif Domingos, the criteria for which are not clear, the business bloc has a war chest of \$35 million to use in defending its interests. Afif is the current president of the Business Association of Sao Paulo. The National Front for Free Initiative last week launched a publicity campaign on television consisting of one-minute films that cost 70 million cruzados, and in the next few weeks they will distribute 200,000 pamphlets throughout the country containing the names of the members of the Assembly that support their ideas—among them, the idea that it is essential to remove from the future constitution the article that makes it almost impossible, based upon a regressive concept, to fire an employee.

To be named on this list is practically equivalent to having a promise of future assistance at election time, not only from business, but also from the UDR. Only last month, the UDR collected more than 100 million cruzados at auctions, and, among the Brazilian ruralist entities they can count upon the votes of 105 congressmen. "We were beginning to feel a lot of heat on our backs from what the Left was doing, so we decided to take action," says Flavio Telles de Menezes, a Sao Paulo rancher and president of the Brazilian Rural Society,

another entity that is totally committed to the conservative bloc. "Ronaldo Caiado is our Lula of the right," says Menezes, "a phenomenon of the masses, and one of the great leaders of the country."

### Wide Audience

So, the civilian right is visible and the drum beat is mounting, even though it is never defined in terms of topographical position in a country where ex-President Joao Figueiredo, who is thinking about ending his seclusion at the Sitio do Dragao, calls himself a man of the center, and ex-governor of Sao Paulo, Paulo Maluf, has already defined himself as being part of the left-center. Its voice, meanwhile, sounds with a clarity that it hasn't shown since the Goulart era, when the Right opted for the dictatorship, which first it embraced and later stoned.

"The political actions of an activist radical minority that is well organized and obedient to Marxist dialectic threatens the traditions and the victories of the past," said Rio businessman Antonio Oliveira Santos, president of the National Commercial Federation, last Thursday to a standing-room-only audience gathered in Brasilia to officially inaugurate the Brazilian Businessmen's Union. "Leave private enterprise alone," said Antonio Ermirio de Moraes, owner of the Votorantim group, and the star of the meeting; to an audience of bankers, merchants, manufacturers, and agriculturists that represented every point in the continuum between the center and the right of the national political spectrum he preached against governmental incompetence, the takeover of private companies by the state, and the demoralization of the country on the international scene. Behind the public exhibitions that are presented in full auditoriums and at competitive auctions lies the underlying process of a veritable battle by business as part of a crusade in defense of their ideas. As if time were short, they feverishly meet among themselves, and with politicians, and even secretly with the country's cardinals. Last Wednesday, for example, the president of the Sao Paulo Federation of Industries, Mario Amato, was at the Alvorada Palace to have dinner—secretly—with President Jose Sarney. He arrived shortly before 11:00 pm, and brought with him some powerful companions. One of them, businessman Sebastiao Camargo of Camargo Correa, is the wealthiest man in Brazil. Another, Augusto Trajano de Azevedo Antunes, is the owner of Caemi, the largest private group in the country in the mineral sector. The delegation was completed by Ivan Botelho of the Cataguazes-Leopoldina group (textiles and telecommunications), Max Feffer of the Suzano group (paper and cellulose), and Murillo Mendes, owner of Mendes Junior and a personal friend of Sarney's. What did these busy executives go there to do, without even consulting their peers about their nocturnal mission? They went to talk about conspiracy.

### "The Parallel Game"

What the businessmen fear, Amato told Sarney, is that there is a mounting atmosphere of conspiracy in the

country which has as its protagonists the business community, government officials, conservative congressmen, and the military. According to the president of FIESP, this atmosphere doesn't actually exist, but is a creation of the press that is further fomented by certain businessmen who are "playing to the public," such as Deputy Guilherme Afif Domingos and the head of the UDR, Ronaldo Caiado. As for the first culprit, the press, Amato had already blamed it for the Brazilian crisis at a prior meeting with Sarney last March at the stud-farm owned by Matias Machline in Itaiba. At that time, the president of FIESP spoke of the need to dispel the country's pessimism, underlining that to do so would be made more difficult by the fact that the press was working in the opposite direction. "Actually, the communications media right now are not aware of what is happening in Brazil, since they report only negative facts," said Mario Amato. "And, when there are no negative facts to report, they invent them," he added.

As for the other scapegoats presented to justify the existence of a conspiratorial ambiance in present-day Brazil, Caiado and Afif, the differences between them and Amato are denied in public by Amato, but confirmed by people in his circle. Amato likes neither Caiado nor Afif, and the feelings are truly mutual. "You can't expect efficiency of action from the business sector when people like Mario Amato play the parallel game, making sneak visits to the Alvorada without even letting other businessmen know that he is doing so," accuses Caiado. According to the president of the UDR, the creation of an entity like the National Front for Free Initiative is designed purposely to coordinate the activities of the businessmen in a coordinated, bloc effort against the Left. "While some of them want to go forward, the entire thing is moving backwards," says Caiado. On Thursday, the day after the meeting with Sarney, Amato met with Deputy Ulysses Guimaraes, president of the Constituent Assembly, at the home of banker Pedro Conde, of BCN, once again in secret, through a request made to Ulysses' stepson, Tito Henrique, director of Banco Itamarati by businessman Olacyr de Moraes. On Friday, having returned to Sao Paulo, Amato received a telephone call from Brasilia from the president of the UDR, asking for an explanation of the criticism he had received from the Planalto. "He denied it," says Caiado. "It's the same old problem: he tells the press secretary to say something, and then he denies it." In the case of Amato's visit with the president, it can't be said that it eased Sarney's fears at all. "I haven't had one peaceful political day since I took office," complained the president on Friday during his visit to Belo Horizonte. "Every day is a day of instability and destabilization."

### More Consultants

Since the Systematization Commission gave the red light to the businessmen, they have begun to bestir themselves, in the beginning like someone who hasn't done any exercise in 20 years and suddenly has to run from a



bulldog in the streets. The Constituent Assembly prohibited the firing of employees without cause, creating, at least for the moment, some job stability. The work week was reduced from 48 to 44 hours. Maternity leave was increased from 3 months to 4 months. It required that all firms maintain a minimum number of employees over age 45. They worried the farmers when they decreed that, as part of agrarian reform, if Justice didn't resolve the social function of ownership within 90 days, the owner would lose his farm without indemnization—and later would be unable to recuperate even through the courts.

Restrictions have also been placed upon the use of foreign capital, a braking action right at the time that privatization became one of the banners of the right, and there have been various other items that are viewed by the business sector with mistrust.

In truth, the businessmen feel betrayed by a Constituent Assembly 60 of whose members are clear advocates of the right, and, in all, more than 300 supporters of free initiative among the 559 representatives, none of whom have written a bill that favors the conservatives. The problem is that the Systematization Commission, up until now charged with the coordination of the text of the new constitution, has behaved generously in some cases, disastrously in others, and, in general, has governed itself with behavior that is at odds with the political composition of the Assembly. "The profile of the Systematization Commission is much more to the left than is that of the Assembly," says Deputy Manoel Moreira (PMDB-SP).

Now, the text is going to the full Assembly, and the businessmen are trying to make up for lost time. "It's time for us to slow down the left," says Cesar Rogerio Valente, president of the Rio Grande do Sul Federation of Business Associations, and the first businessman to speak openly regarding financial support for "trustworthy" candidates to the Constituent Assembly. According to Valente, in the last 30 days the businessmen have contracted with more consultants to do lobbying in the Assembly, they have personally developed means of convincing congressmen, and, at last, are beginning to see practical results. "The game is now being played on our field," says Valente. "We are all working together now," assures UDR coordinator Abelardo Luiz Lupion Mello of the Parana National Front for Free Initiative.

### Shoving Match

Last Wednesday, when the plenary session of the Assembly was discussing the creation of the right-center bloc, the game got scrambled at midfield, and a foul was called. With a microphone, Deputy Haroldo Lima of the PC do B of Bahia struck at the big center's most sensitive spot—the ideological fluidity of its members, who rarely call themselves the names that they call their adversaries. "The big center is controlled by the Right, but it is reactionary," said Lima. "There are sections of the right

that don't do a thing, and hide among the center, like Deputies Jose Lourenco, Ricardo Fiuza and Carlos Sant'Anna." Lourenco said something sarcastic, Lima reacted, and Fiuza, finally, went up to the deputy from the PC do B of Bahia and gave him a shove. "I didn't punch him in the face, because I didn't choose to," bragged Fiuza later.

### The End of the Filing System

Brazilian businessmen came into the Constituent Assembly bullfight completely disorganized. In March, the leadership of the rural farmers made a first approach with the presentation of a broad cattlemen's front. The idea failed, mainly because the two dozen entities behind it made it a point to ignore the existence of the UDR, considering it to be stigmatized by its radical image. However, the truth is that the UDR, from the moment it was born two and a half years ago, has spoken the language of the landowners, and, as a result, spawned centers all over Brazil, multiplying its membership frighteningly to its present number of 230,000 members.

In addition, the UDR has won support from unexpected sources, and is seeking to learn from its own experience. Three weeks ago, Caiado was the graduation speaker for a group of agricultural students at Parana University, and had to face a protest organized by students connected with leftist organizations at the door of the building in which the gathering was to be held. Last week, at UDR headquarters in Sao Paulo, members of the Union's governing body carefully reviewed a videotape of the episode. "We want to see how we can take part at such a graduation ceremony without such confusion," explained one of the directors of the entity. The UDR's problem is that it has not yet been faced with a decisive test such as was experienced by the PT when some of its members robbed a branch of the Bank of Brazil in Bahia more than a year ago. In that case, the party expelled the members. Only when the UDR has found a contaminated part of its body will it know what is the true identity of its organism, based upon the reaction of Caiado and his cohorts.

By far the most skillful entity in applying pressure on elected representatives, the UDR prefers to act through deputies rather than in its front office in Brasilia. Through three news agencies it distributes ratings on the work of the Constituent Assembly via a network of 2,000 communication vehicles throughout the country, from small distant radios to provincial newspapers. "Some deputies even ask us to broadcast their speeches," says Fabio Saboya, the congressional consultant for the UDR. In the interior, representatives of the UDR go to the airports to meet deputies accompanied by flag-waving groups of supporters, while in Sao Paulo producer Terra Viva has begun to make videotapes of the group's auctions and its leaders' speeches. Manufacturers of fertilizer, feed, and animal medications want to advertise on these videos, since they are to be shown to UDR associates who pay to see them and to help the cause.



The growth of the UDR and the strengthening of the Brazilian Businessmen's Union represent the end of the filing system of the corporate federations; that system has been overwhelmed by the two organizations whose greatest merit is that they echo in a clear fashion the true concerns of their members.

### Unexpected Help

Finally, the entities connected with the ruralists have from all appearances doubled, and, instead of opposing the UDR, they have united with it. The result: Since August, no leadership of the group does anything unless the entire mechanism of federations, cooperatives, societies, and other producer groups has approved and given its support. That is why the agriculturists have more power in the Constituent Assembly than the urban businessmen, who only began to unite last June. They leave their meetings with everything in order—and outside those meetings they do nothing that hasn't been agreed upon. Finally, the National Front for Free Initiative took off, created only a few weeks after some secret meetings, and designed to hit upon a single behavioral strategy with regard to the Constituent Assembly; then came the Brazilian Union of Businessmen, which made so much noise last week in Brasilia.

In the Assembly, the businessmen have identified as sources of support the ultraconservative Roberto Cardoso Alves (PMDB-SP) and the majority leader in the Assembly, Carlos Sant'Anna, an ex-member of Arena in the AI-5 days, who nowadays supports the legend of Ulysses Guimarães. Deputy Delfim Netto and Senator Roberto Campos of the PDS also support liberal ideas, which is music to the ears of the businessmen. Others were already trusted by the right, such as Deputy Antonio Carlos Konder Reis (PDS-SC), and Senator Carlos Chiarelli (PFL-RS). However, they unexpectedly supported the concept of job stability, and fell into disgrace with the right. "I am not responsible for the calculations and the presumptions of the businessmen," says Chiarelli. "Support for job stability is a position I have held for 25 years."

### The Force of Law, Deceit

The businessmen's fear with regard to what is happening in the Systematization Commission is justified, but there is still a lot of room for maneuvering in the Assembly, and the entire process of producing the final text of the constitution can be regarded normal without at the same time running the risk of being seen as ingenuous. "Some businessmen are talking as if we were destroying their fortunes," says Parana Deputy Alceni Guerra, a member of the dissident wing to the left of the PFL. "This is an enormous exaggeration." Among the issues that provoke conflict, the sorest point is that of job stability. Stability can be criticised, but there is no hope that, after the 1981 and 1983 recessions, in which 2 million people were laid off, employees will continue to be without guarantees in

this area. And throughout the entire process of elaboration of the constitutional project, during which dozens of possible forms of job stability were debated, the businessmen provided not one formula, and not one well-founded study that presented a valid suggestion for the Assembly—and, based on the way the text has been rewritten, it will not be surprising if the bitter irony of passage in the plenary session occurs.

If one considers that there are 20 million registered workers in the private sector, who represent less than half of the economically active population of the country, something like 10 million people will still be without job stability, based upon reality, based upon the law, and based upon deceit. It so happens that the stability requirements, as currently written into the Systematization text, exclude domestic help, rural workers, people who work in small companies of less than 10 employees, and workers in civil construction. So, an institution that arose to defend the poor is unable to protect them.

12857

**PCB To Launch Membership Drive**  
*33420012b Sao Paulo O ESTADO DE SAO PAULO*  
*in Portuguese 20 Oct 87 p 4*

[Article by Alvaro Alves de Faria]

[Text] The "big party" has emerged from its burrow, but not far enough to shed more light on the things it really wants to accomplish in its new situation. Its progress, incidentally, has been faltering and full of hitches, some caused and some unexplainable. But since almost everything on this vast tropical plain is unexplainable, things go on anyway.

The fact is that the "big party"—the Brazilian Communist Party [PCB]—is going to launch a nationwide membership drive within the next few days. The party needs to sign up 200,000 voters to meet the requirements of the election law. If it succeeds, it will achieve definitive registration as a party after being illegal for 63 years.

What it boils down to, then, is that the party is looking for 200,000 Communists. The fact is that it has more prestige as an illegal party. Once duly registered, as the election law requires, Communists disappear, whether they be admirers of China, the USSR, Albania, or even one of the secretive little clubs where the bloodiest revolutions in Latin America are carried out in the imagination every day—an effort interrupted at around 3 am, when the dawn falls silent and words, dragged out in stiff syllables, leave one's mouth with difficulty. Except for that, everything is normal. It would really be amusing to see the PDS [Social Democratic Party] obtaining definitive registration in the Soviet Union. But that is another story. It used to be said that communists devoured babies, but now they no longer devour anyone.

The "oldsters" in the big party are not as old as venomous mouths say they are. They want their space. And it is right that they should. It is also right that they should explain how the big party really views democracy, particularly democracy—still wan and advancing through an unlighted room—as practiced in Brazil. Brazil is one big unlighted room.

One high-ranking Communist leader says that the big party is launching its campaign but that it will remain in the rear because it has been a banned party for decades. In other words, it will keep everything in place for an organized retreat by its top leaders in case, for example, the regime tightens up again.

That is crazy, but consider this: "If there is political retrogression, that plan will make it possible for all of the party's leaders to leave the country in less than 48 hours." At times the words sound noble, at other times they merely wound, and at still other times they simply describe the entire setting that always exists, more or less camouflaged, between gray walls and among ancient theories that will never be able to keep pace with time, events, and history itself.

In any case, the big party is looking for 200,000 Communists. No one knows whether its slate, once a chimera and now barely blending into that era of so many wrong turns, will emerge with a lighted candle in its hand to pry into the corners and byways, because any self-respecting Communist must live in concealment.

Except for its latest image, that, when all is said and done, is the picture of Brazil. It is a country where we are battered with deceitful words, where impunity is total regardless of the crime, and where today's politicians are the same ones who, 63 years ago, were talking about the same things that today's children have already learned by heart. The big party is in the unlighted room, but the country is looking for clearness and sunlight. The days are gray, but there will always be a star in some corner of the sky waiting for its moment to shine.

11798

**Egypt Interested in Joint Production of Missiles**  
33420011c Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 17 Oct 87 p 2

[Text] Sao Jose dos Campos—Egypt is interested in joining with Brazil to produce missiles as part of a program identical to that worked out by the two countries for the production in Cairo of the Tucano training aircraft for military pilots, a plane designed by EMBRAER [Brazilian Aeronautics Company]. That announcement was made in Sao Jose dos Campos yesterday by Vito di Grassi, chairman of Orbit Aerospace Systems, during the opening of the Second Aerospace and Defense Exhibition (AEROEXPO), which is being held at the airport belonging to the Aerospace Technology Center (CTA).

The exhibition occupies a covered area of nearly 2,000 square meters and includes the participation of 75 firms distributed among 124 stands. It was opened yesterday by the minister of aeronautics, General Octavio Moreira Lima, who was accompanied by the entire Air Force High Command and two deputies representing the Paraiba Valley region in the Constituent Assembly: Robson Marinho (Brazilian Democratic Movement Party, Sao Paulo) and Joaquim Bevilacqua (Brazilian Labor Party, Sao Paulo). The only people allowed in yesterday were government authorities and guests of the Ministry of Foreign Affairs and the exhibiting firms. The exhibition will be open to the public today and tomorrow.

According to Minister Moreira Lima, the purpose of this annual exhibition, which is sponsored by the CTA, an agency of his ministry, is to exhibit the current stage of development in Brazilian firms active in the arms industry.

For his part, the chairman of Orbit, which is an arms factory owned jointly by EMBRAER, ENGESA [Specialized Engineers, Inc.], IMBEL [Ordnance Industry], and other firms, announced that his firm will begin delivering the first units of the Leo antitank missile to the Brazilian Army in 1988 and that it will begin exporting that missile, which was developed in cooperation with the Italian firm of Oto Melara, the following year. Vito di Grassi, who is also deputy chairman of ENGESA, added that along with the U.S. Abrams M 1A-1 tank, the Osorio tank had successfully completed the tests now underway in Saudi Arabia.

11798

**CISA Scores PSB Program Defending Armed Struggle**  
33420009a Rio de Janeiro O GLOBO in Portuguese  
30 Oct 87 p 5

[Text] Brasilia—The Air Force Intelligence and Security Center (CISA), in an internal memorandum, condemned the Brazilian Socialist Party program televised this week, in which guerrilla warfare was defended as a just means of combating a regime. The memorandum was made public by the Air Force Public Relations Center last evening.

The program was telecast 2 days after the military ministers suffered a defeat in the Constituent Assembly, when terrorism was removed from the category for which no bail and no prescription are allowed.

Inspired by Minister of Army Leonidas Pires Goncalves, Relator Bernardo Cabral compared the crime of terrorism to torture, describing both as ineligible for prescription and bail. The Standardization Commission excluded a part of this article, specifically that part pertaining to the crime of terrorism.



The military ministers decided not to challenge the decision through their parliamentary advisers, and the only explicit reaction came from the Army spokesman, Gen Carlos Olavo Guimaraes, who noted that terrorism could be practiced by extreme right-wing groups.

The Brazilian Socialist Party program noted the value of armed struggle, which was regarded as "provocative" by various military sources.

The first reaction came from the Army, through a communique to the troops which emphasized amnesty as reciprocal, involving not only the members of the guerrilla forces but also the military who committed crimes in the struggle against the guerrilla fighters.

The Air Force document further explored the lack of consistency between the PSB position and that of the European socialist governments which have played a large role in combating terrorism, without dealing with the ideological aspects of the question.

This document also stressed that in these countries, a number of restrictions were placed on individual freedoms as a result of terrorism, and, finally, it emphasized the irresponsibility of the PSB position, with its promulgation of ideas favorable to the guerrilla forces and the accusations made against the military ministers "on time made available through legal means."

The Navy also drafted a document for internal circulation, but its contents were not made public by the minister's staff.

### Provocation Denied

In response to criticisms voiced by the Ministry of Air concerning the PSB program carried on a radio and television network at the beginning of the week, Milton Temer, a state deputy and member of the executive committee of the PSB in Rio, stated that the party never had any political intention to create any kind of confrontation with the Armed Forces, particularly during the current period of transition. The following is the full text of the deputy's memorandum:

"The goal of the Brazilian Socialist Party is to become a tool for the construction of a modern and open society, in which the democratic issue will be an important factor. In this connection, whatever interpretations of this episode might be put forth, I can certify that it was never the political desire of the PSB to create any atmosphere of confrontation with the Armed Forces during the current period of transition. An Armed Forces memorandum should be put on record in the margins of the debate under way in the nation on the building of a more just and democratic society."

### Causes of Petrobras' Mounting Losses, Impact Assessed

33420014 Sao Paulo VEJA in Portuguese  
28 Oct 87 pp 116-118

[Text] As in the Greek tragedy of Sophocles, in which Oedipus slays his father, Laius, and marries his mother, Jocasta, Petrobras, as described by its own interim president, Carlos Sant'Anna, is threatened with bankruptcy by the offspring of its marriage with its producers—Proalcool. "We are Laius, being threatened with death by Oedipus," says Sant'Anna. The richest and most powerful Brazilian company, and the only one that appears on the list of the world's 50 largest companies, Petrobras is now living through days of penury. Last year it earned the highest profits ever achieved by a Brazilian company, almost 30 billion cruzados; today, for the first time since it was created in 1953 by Getulio Vargas, it is showing red ink in its ledger. "Petrobras is losing \$1.8 million a day," says its president-elect, retired Colonel Ozires Silva, who returned last Friday from Peking and went directly to Brasilia to meet with Mines and Energy Minister Aureliano Chaves.

Petrobras' problems began a long time ago—they began in earnest right after Jose Sarney took office, when, in trying once more to control the indomitable Brazilian inflation, the government fixed the price of fuels. From the fixed prices of Francisco Dornelles, to the frozen prices of Dilson Funaro, and now to the price controls of Luiz Carlos Bresser Pereira, Petrobras, as a consequence of all the political decrees of three successive Sarney finance ministers, is about to close the year with a loss of about 100 billion cruzados, only slightly less than the budget for the country's richest state, Sao Paulo. This is totally without precedent in the experience of a state-owned company that is responsible for the country's largest investments, and, remarkably, receives not one centavo's worth of assistance from the government.

This is the company that, like a small business in the so-called "underground economy," has, since January, paid none of the built-in surcharge on alcohol and gasoline—a surcharge called the National Development Fund, or NDF—paid by law by all Brazilians. On top of all this, the company announced last week that it doesn't have enough money to pay for the alcohol supplied by the producers, an impasse that may only be resolved in Rio this week at a meeting of the producers, the government, and the company's management. "How long is the government going to let the company operate with prices that are lower than its operational costs?" asked Ozires Silva in O GLOBO prior to leaving for an overseas trip. With its prices out of phase, and with the obligation to purchase, subsidize, and store all of the alcohol produced in the country—whether it has the money to do so and the market for resale or not—Petrobras has already lost 33 billion cruzados this year—a hemorrhage whose bleeding cannot be stopped. "If we continue at this rate, domestic production of oil may start to drop again," fears Ozires. qqqqqq "We have no resources to apply to new projects."



### Drastic Decision

This situation threatens oil exploration efforts at the Bacia de Campos, the offshore complex off the state of Rio de Janeiro, which produces more than half the nation's oil, and even the newest investments in Urucu, Amazonia, where Petrobras has already found positive signs. Against this picture, according to Sant'Anna—who is the first vice-president of Petrobras—the company could no longer expect a solution from the government that would make an adjustment for the disordered prices, so it made a drastic decision. The company announced that it would suspend payments to the producers on a debt amounting to 3.5 billion cruzados, due this Monday, the 26th. Even worse: it also announced the immediate suspension of all purchases of alcohol that had been authorized by the entity that controls its prices, the National Oil Council.

The decision had the effect of a hand grenade thrown on the desk of Jose Ribeiro de Toledo Filho, the president of the Sugar and Alcohol Institute, SAI, which, on the night of Wednesday, the 14th, received a telex signed by Sant'Anna. The following day, de Toledo called Luiz Andre Rico Vicente, interim Minister of Industry and Commerce, to which SAI is subordinate. "I received a communication from Petrobras suspending payments to the production centers," said the president of SAI. "The producers won't be able to live with this." Having got the message, it was Vicente's turn to call Bresser, and what happened after that was an intense exchange of calls between the three ministers involved in the problem—Finance, Mines and Energy, and Industry and Commerce.

### Aureliano's Defiance

Already aware of the situation, Minister Aureliano Chaves had called a meeting with Petrobras management in Rio de Janeiro for the following Monday. But he had his staff announce that he had ordered Sant'Anna to come from Rio to Brasilia in order to explain to him, personally, the basis for his decision to violate guarantees given to the producers in Sao Paulo and the Northeast. Yet, it was Aureliano who went to Rio to meet with the interim president of Petrobras. The minister may have intended to confront a state company that is subordinated to his ministry but frequently acts as if it has no boss. He preferred, however, not to take the risk.

Powerful, and having a budget greater than most ministries and states, Petrobras is known for not wanting to submit to decisions taken beyond its confines. Its president is named by the country's president, as was the case with Ozires Silva. Aureliano decided just to call Aeronautics Minister Octavio Moreira Lima to extend the invitation, since at that time Ozires was president of the state company, Embraer, where he was used to achieving good results. The relationship between the president of Petrobras and Aureliano has tended to become bitter. Ozires has frequently refused to allow politics to affect

his appointments to executive positions, preferring instead to maintain a management cadre consisting for the most part of career executives.

### Red Ink

But the same Petrobras that was able to achieve a degree of efficiency comparable to a well-run private company is now in the red. After sounding the alarm on its losses, it attempted to realize drastic cuts in its budget, it delayed payment on the NDF, and, now, it has suspended its payments for alcohol in an attempt to mitigate one of the main causes of its crisis. "We cannot be saddled with the problems of Proalcool," says Sant'Anna. At the root of the decision is the explicit subsidy for alcohol that Petrobras alleges itself to be paying. The producer receives 15.5 cruzados per liter of alcohol, but Petrobras sells it for 13 cruzados to the distributors. The consumer, in turn, pays taxes to the government, with the price at the pump amounting to 20.35 cruzados per liter. "We are subsidizing at the rate of 2.5 cruzados per liter of alcohol because the law says we must," says Sant'Anna. Each month this means 2 billion cruzados less in the company's cash drawer.

Another problem Petrobras faces is the exchange lag affecting its purchase of imported oil. While the dollar is officially quoted by the Banco Central at 53.50 cruzados, the dollar figures into the company's financial planning at 48 cruzados. Petrobras thereby loses 5 cruzados out of every dollar that it has to pay for oil imports, which presently amount to 500,000 barrels a day. This loss is partially reduced through an accounting device permitted to Petrobras whereby the company can equalize the price of domestically produced oil, which costs the company 12 dollars, with the price it pays for imported oil, 20 dollars, by half. But the company also has to bear with another source of losses: the inability of other state companies to pay their bills. "The debt of the state companies I know of amounts to 25 billion cruzados," says Sant'Anna. This figure is questioned by Paulo Galeta, adjutant to the Special Secretariat of Supplies and Prices (SEAP), who believes that their debt is no more than 15 billion cruzados.

Even though the calculations of Petrobras and the government do not agree, there are points of convergence. Galeta feels that the government ought to authorize an immediate increase of 2.5 cruzados in the price of alcohol, which is exactly what Petrobras wants, and what is proposed in a study carried out by CNP, forwarded more than a month ago to Aureliano. The study suggests an alteration in the relationship between the price of a liter of alcohol and that of gasoline. Today, a liter of alcohol costs 65 percent as much as a liter of gasoline, a difference that made sense, according to Petrobras, when Proalcool was established 10 years ago, and the efficiency of alcohol motors was much lower. But, with the

improvement in performance of alcohol-driven automobile motors, the disequilibrium in price could be adjusted; on this point there is agreement among Petrobras, the CNP, and Finance. The decision, meanwhile, runs up against Aureliano: he would like to resolve Petrobras' problem, but he has no intention of hurting Proalcool.

It is impossible for Petrobras to bear the weight of alcohol," said Aureliano last week, thereby already signaling a conciliatory solution to the problem of Petrobras' debt to the producers. More recently, the producers, themselves, found it was better to exclude the government, and deliver their alcohol directly to the distributors. "Proalcool is viable," says Werther Annichino, president of Copersucar. "All we need is for the government to put a fair price on alcohol without overburdening the consumer." This Thursday, when the producers, the IAA representatives, and Aureliano meet at Petrobras headquarters in Rio, the most probable solution for the impasse faced by the company will be the classical one: Treasury once again will bear the costs.

12857

#### **Iron, Steel Companies Show Record Loss Through June**

33420011b Sao Paulo O ESTADO DE SAO PAULO  
in Portuguese 24 Oct 87 p 27

[Text] Porto Alegre—Harmed for years by the regulations and unrealistic price controls imposed by the Interministerial Price Council (CIP), especially since the introduction of the Cruzado Plan, Brazilian iron and steel companies—both state-owned and private—are being forced to charge prices from 35 to 40 percent below what they should be. This has made their difficulties worse in that since they are unable to cover their costs, they ended the first half of the year with record losses of nearly 52 billion cruzados. In comparison with seven other industries—auto parts, automobiles, machinery and equipment, metallurgy, chemicals and petrochemicals, civil construction, and heavy construction—the iron and steel industry is the one with the worst performance indicators, according to a study by the Brazilian Iron and Steel Institute (IBS) that was supplied exclusively to O ESTADO DE SAO PAULO and the JORNAL DA TARDE.

Between 1975 and the end of last year, the iron and steel industry increased its production by 55.57 percent and its manpower by 25.91 percent and reached the point of exporting \$1,748 million worth of products, whereas it had previously been a net importer. On the other hand, it was forced to reduce its investments by 58.78 percent. During the same period, its gross billing as a share of the industrial product also fell from 8.76 percent to 8.05 percent, but taxes and social security contributions rose substantially and totaled about 50.58 billion cruzados in 1986 alone—about half of the total it received from exports.

According to the same IBS studies, however, a drop in gross billing as a share of industrial product during the period from 1978 to 1986 also occurred in the other industrial sectors, which were analyzed by looking at the figures for the 20 largest firms in each sector (the only exception being the automobile industry, which comprised nine firms last year). The auto parts industry showed a drop from 3.01 to 2.38 percent, while machinery and equipment was down from 2.88 to 2.06 percent, metallurgy from 3.69 to 3.24 percent, chemicals and petrochemicals from 23.76 to 20.32 percent, the automobile industry from 10.98 to 8.07 percent, civil construction from 1.59 to 0.85 percent, and heavy construction from 6.04 to 4.61 percent.

But if we consider the price indexes for those sectors in relation to the Wholesale Price Index (IPA) as measured by the Getulio Vargas Foundation, it becomes evident that the iron and steel industry is in a critical situation. Taking 1980 as the base year (1980 = 100), we see that in 1975, the iron and steel industry was in a better position than any other industry, since its prices stood at 164.9—that is, 64.9 percent above the prices being charged in the base year of 1980. In 1986, however, it was in the most critical situation of all—still in terms of changes in the IPA—since its prices lagged by 52.3 percent. It was followed by the metallurgical firms, where prices lagged by 49.2 percent, the automobile firms (28.9 percent), chemicals and petrochemicals (15.6 percent), machinery and equipment (7.2 percent), and civil and heavy construction (only 0.6 percent).

According to the Brazilian Iron and Steel Institute, the profit indicators also show the iron and steel industry to be in the most critical situation. Whereas the return on owner's equity last year amounted to 18.5 percent in the machinery and equipment industry, 18 percent in the automobile industry, 12.4 percent in chemical and petrochemical industries, 11.6 percent in heavy construction and auto parts, 8.3 percent in the metallurgical industry, and 6 percent in civil construction, it totaled only 2.1 percent in the iron and steel industry.

And while profit on sales totaled 9.4 percent in the machinery and equipment industry, 6.9 percent in heavy construction, 6.1 percent in chemicals and petrochemicals, 5.1 percent in the automobile industry, 5 percent in the metallurgical industry, 4.4 percent in civil construction, and 3.5 percent in the auto parts industry, it amounted to only 1.7 percent in the iron and steel industry. And in 1985, unlike the other industries, iron and steel was the only industry with negative indicators: a negative return on owner's equity of 9.2 percent and a loss on sales of 4.6 percent.

11798

#### **Exports to Africa Drop 60 Percent in 6 Months**

33420012c Sao Paulo GAZETA MERCANTIL  
in Portuguese 14 Oct 87 pp 1, 3

[Article by Maria Helena Tachinardi; first seven paragraphs are GAZETA MERCANTIL introduction]

[Text] Brasilia—Brazilian exports to Africa have dropped sharply over the past 2 years. In the first 6 months of this year alone, sales to that continent dropped by 60 percent in comparison with the same period in 1986, falling from \$470 million to \$280 million.

That picture reveals, in concrete terms, the Brazilian Government's posture in its relations with the African countries: before stimulating new sales, the government, which is the biggest creditor in the commercial transactions effected to date, is trying to collect its overdue payments. Because of the generalized liquidity crisis in Africa, the phase of looking for big transactions has ended.

Selling to Africa today also depends on what the importers can offer in return. Those with petroleum, such as Nigeria, Angola, and Gabon, are keeping up their purchases on the Brazilian market, but Senegal, for example, whose only possible export to Brazil would be phosphates, was unable to sell a single dollar's worth during the first 6 months of this year.

Although losing ground to Latin America, Africa constitutes the Brazilian Government's second-largest bloc of debtors. That indebtedness was incurred primarily while Azeredo da Silva and Saraiva Guerreiro were heading the Ministry of Foreign Affairs, back when the country was developing closer political and trade relations with the African countries.

The current administration, on the contrary, abandoned the African priority right from the start to favor relations with Latin America. The most obvious proof of that shift in the thrust of Brazilian foreign policy is the fact that in his 2 years and 7 months as president, President Jose Sarney has visited the African continent only once—when he stopped in Cape Verde last year on his way to Portugal. On the other hand, he has already made five visits to Latin America this year alone: to Peru, Uruguay, Argentina, Trinidad and Tobago, and Mexico. And by December, he will have visited Venezuela (this Friday), Colombia, and Mexico (for a meeting with seven other presidents from this region). Moreover, he signed important trade agreements with Montevideo and Buenos Aires last year.

Trips to Mozambique, Angola, and Nigeria are planned, but it is highly unlikely that Sarney will be able to schedule those visits for 1987, according to diplomatic sources.

Despite the drop in trade, Brazil's biggest partner in Africa continues to be Nigeria. Mozambique is the biggest debtor (about \$300 million), and the most promising partner is the Republic of Cameroon. "It is the most harmonious country in black Africa, and we are mindful of that," emphasizes one source at the Ministry of Foreign Affairs.

Brazil has been substantially reducing its sales to Africa. In the first 6 months of this year, Brazilian exports to that continent fell by 60 percent in comparison with the same period in 1986—from \$470 million to \$280 million. Those figures might seem atypical if it were not for the downward trend over the past 2 years that has been noted in shipments of Brazilian products to 36 African partners, the most important purchasers being Nigeria, Ivory Coast, Algeria, and Angola.

From 1985 through last year, Brazilian sales dropped by 44 percent, from \$1.7 billion to \$789 million.

Those figures, supplied by the Foreign Trade Department (CACEX) of the Bank of Brazil, show that Brazil's trade policy with respect to Africa is tending to become increasingly realistic, not only because of the worsening liquidity crisis in the developing countries—particularly African countries—but also because of the deterioration in Brazil's own financial situation, a development which has forced it to adopt a position consistent with its role as debtor and creditor. Trade transactions with Africa are increasingly dependent on what the importers can offer in return.

Countries such as Nigeria, Angola, and Gabon, which have petroleum, are keeping up their purchases on the Brazilian market. But Senegal, for example, whose only possible export to Brazil would be phosphates, was unable to sell even a dollar's worth during the first 6 months of this year.

At least one country in black Africa—the Republic of Cameroon—is seen as a trading partner with good prospects in the medium term. That country on Africa's west coast has diversified foreign trade: it exports petroleum, coffee, cocoa and cocoa beans, aluminum, wood, and cotton and imports vehicles and transportation equipment, industrial machinery, and consumer goods. "It is the most harmonious country in black Africa, and we are mindful of that," emphasizes a source at the Ministry of Foreign Affairs.

A climate of euphoria regarding the trade policy with Africa once reigned in the Ministry of Foreign Affairs. That was during the time of Ministers Azeredo da Silva and Saraiva Guerreiro, when the country began establishing its "goodwill"—that is, making its technology and products known. The attitude today, however, is that we should first try to collect overdue debts and then stimulate new sales.

The Brazilian Government is Africa's biggest creditor because most of the exports were made with financing from CACEX (68 transactions). The biggest debtor is Mozambique, which owes about \$300 million. "We are looking for ways to maintain trade with that country despite its debt. The most likely possibility is the exploitation of coal from the mine in Moatize. That mine is already in operation and would therefore require less investment on the part of Brazilian state-owned and



private firms participating in the project," says the diplomatic source. Part of that coal would be used to pay Mozambican debts, and some would be used to generate new Brazilian sales.

The matter will be discussed at the joint commission's second meeting, which will take place in Maputo early in 1988.

Nigeria is Brazil's most important trading partner in Africa. Its two biggest private creditors, the Cotia Trading Company of Sao Paulo and Volkswagen, are due to receive about \$50 million that accrued during the countertrade operation that ended last year.

Nigeria was one of Brazil's five biggest partners in 1985 (Brazilian exports of \$914 million and imports of \$1.347 billion), but in 1986 it sold Brazil only \$366 million worth of goods and bought \$247 million worth of Brazilian products. The decline in trade with Lagos is due to the drop in petroleum prices.

Trade with Algeria is also declining. Brazilian exports dropped from \$103 million during the first 6 months of 1986 to \$28 million during the same period this year. Sources at the Ministry of Foreign Affairs say that because of the lack of liquidity, there are only two possibilities for trade with Algiers: gas imports for the

Brazilian market and triangulation—that is, reexporting the product to other markets. The Norberto Odebrecht construction firm is leader in a consortium formed for that purpose.

Angola is a market of growing importance to Brazilian exports, which rose from \$52 million in the first half of 1986 to \$86 million this year. The country keeps its payments to Brazil rigorously up to date and exports 30,000 barrels of petroleum per day (making possible the lines of credit opened by CACEX in the amount of about \$800 million). The Brazilian Government is interested in exporting more Angolan petroleum at a rate of 50,000 barrels per day, since that would make it possible to increase sales to that market. Norberto Odebrecht is currently starting the civil engineering works at the Kapanda hydroelectric plant, which is being built with Soviet equipment.

Because of the liquidity crisis there and here, the Brazilian Government considers cofinancing to be a worthwhile plan. A good example of this, according to a source at the Ministry of Foreign Affairs, is the construction work underway by the Andrade Gutierrez firm to open the gold mine at Kilonoto in Zaire. The funds are being held by the African Development Bank (ADB).

11798

### Details of Judicial Reform Provided

33480024a Bogota EL ESPECTADOR in Spanish  
14 Oct 87 pp 1A, 11A

[Article by Hector Hernandez M.: "Total Reform of Colombian Justice"]

[Text] Bogota—The national government will undertake a total reform of the Colombian justice system over the next 2 years, having been authorized to do so to cope with the troublesome violence that is besetting the country.

The legal authorization coincides with the Supreme Court's appeal yesterday to the chief executive to make every effort to identify and punish those responsible for the slaying of former magistrate and political leader Jaime Pardo Leal.

The law that the president of the republic signed last Monday empowers him to create and abolish courts and court seats in the various areas and levels of the administration of justice.

Pursuant to this specific power, Justice Minister Enrique Low Murtra has announced the creation of the so-called special trial court divisions that will operate under the Supreme Court and the country's 23 superior courts; the divisions will be in charge of investigating a range of crimes that are directly related to the murder of prominent national figures.

The law also enables him to increase or decrease the staff of the Judiciary, to modify the current system of jurisdiction of the various regional authorities and to regulate the operating structure of the courts of justice.

### Family Jurisdiction

The law paves the way for the chief of state to create and organize the long sought after family jurisdiction, as well as the agrarian jurisdiction.

The administration has also been empowered to authorize notaries to conduct civil marriages and to change the first and last names of citizens who so wish.

The announced creation of the special trial court divisions is based mainly on clause a) of Article 1 of the law in question. It says that the president is vested with special powers to "create, abolish or merge courts, court seats and posts of prosecutors in the different areas and levels of the administration of justice."

Minister Low Murtra told this paper that "very soon" the first steps would be taken to set up the trial court divisions and to bolster them with the appropriate tools and mechanisms for conducting effective investigations.

### Skepticism

As far as the president of the Consultation Division of the Council of State is concerned, anything done to improve investigatory tools is good for the administration of justice "as long as it is provided with the tools to fulfill its mission."

"But I'm very skeptical," he cautioned to this paper, because "the problem in this country is not the justice system but the mentality of Colombians, as respect for fundamental values and life has disappeared. If respect for these values is restored, the tools of the justice system will be able to operate, otherwise not."

### Appeal to Administration

Moreover, the court appealed to the administration to resort to the most effective measures so that the slaying of former magistrate Jaime Pardo Leal does not go unpunished.

The high court, representing the Judiciary, praised Pardo Leal's qualities as a judge when he served on the Bogota court.

The Supreme Court expressed its condolences to the wife and family of the slain political leader of the Patriotic Union.

The Government Division of the high court issued a communique in which is stated that "the Supreme Court is deeply moved by the execrable incident in which Dr Jaime Pardo Leal, a former candidate and president of the Patriotic Union political party, lost his life and condemns this treacherous crime on behalf of the Judicial Branch of the government."

### Text of Law

The Congress of Colombia decrees:

Article 1. The president of the republic is hereby vested with special powers for a term of 2 years as of the enactment of this law:

A. To create, abolish or merge courts, court seats and posts of prosecutors in the various areas and levels of the administration of justice.

B. To increase or decrease the staff of the Judiciary and to determine their functions, bearing in mind in particular the new modalities of the service and the administrative decentralization by districts.

C. To modify the current system of jurisdiction of the various regional authorities and of the Public Ministry, and to regulate the structure and operations of the courts of justice.

D. To create and organize the family and agrarian jurisdictions.

E. To simplify the conduct of judicial proceedings and to incorporate computers and modern technologies in it.

F. To assign administrative and other noncontentious proceedings of which judges are currently in charge to other authorities and entities.

G. To implement jurisdictional systems to resolve conflicts between private individuals, such as conciliation, arbitration, equity trials.

H. To authorize civil marriages and changes of first and last names before a notary and to establish systems for liquidating estates, for adoptions and for separations of consenting, competent individuals by means of registered document.

I. In administrative proceedings, to abolish the special appeal for annulment and to expand the remedy of appeal.

J. To modify the disciplinary system for officials and employees of the Judiciary.

Paragraph 1. The offices, court seats, posts of prosecutor and positions that are created by virtue of this law in the regular criminal jurisdiction shall be devoted preferably to the conduct of trials.

Paragraph 2. The offices, court seats and posts of prosecutor that are created and the appointments that are made under this law shall be in proportion to the needs of all of the country's municipalities and shall be based on the technical studies of the Office of Social and Juridical Investigations of the Justice Ministry, after consulting the chief justices of the Superior District Courts and the National Council of Criminal Proceedings and observing the procedures and criteria that are currently in effect for the appointment of staff and officials of the Judiciary.

Article 2. A commission is hereby created that shall advise the administration in the exercise of these powers. It shall consist of: the minister of justice or his delegate, who shall preside; two senators and three representatives appointed by the first constitutional committees of each house, one magistrate of the Disciplinary Court, one magistrate of the Supreme Court of Justice, one magistrate of the Council of State, each elected by their respective bodies; and three administration-appointed experts: one in computers, one in administration and the other in judicial organization.

Paragraph. The special powers granted by this law include, during the term indicated, the power to issue regulations gradually and to adopt measures conducive to the implementation and operation of the new organization.

Article 3. The administration shall be empowered to undertake the budgetary and credit transactions necessary for the thorough execution of this law.

Article 4. This law takes effect as of the date of its enactment.

Issued in Bogota, DE on the [blank] day of October of 1987. The president of the Honorable Senate of the Republic, Pedro Martin Leyes Hernandez; the speaker of the Honorable House of Representatives, Cesar Perez Garcia; the secretary general of the Honorable Senate of the Republic, Crispin Villazon de Armas; the secretary general of the Honorable House of Representatives, Luis Lorduy Lorduy. Republic of Colombia, National Government. To be published and executed. Bogota, DE. The minister of justice, Enrique Low Murtra.

8743

**Commission To Safeguard Elections Formed**  
33480024b Bogota EL ESPECTADOR in Spanish  
28 Oct 87 pp 1A, 3 (BOGOTA section)

[Unattributed article: "Administration Sets up Electoral Guarantees Commission"]

[Text] Bogota—The administration has established a National Commission of Electoral Guarantees that will have representatives from six political parties and movements. It will hear complaints about incidents that hinder the normal unfolding of the mayoralty elections scheduled for this coming March.

The commission was created by Decree 2036 of 27 October.

It will consist of five members appointed by the governing bodies of the Liberal Party, five representing the Conservative Party board, three designated by New Liberalism, two from the UP [Patriotic Union] and one from the National Movement.

The interior minister disclosed in the House of Representatives that the commission was being created. The UP had summoned him to spell out the mechanisms that the Executive Branch was going to institute to provide guarantees to all political groups during the election campaign.

#### **Initial Criticisms**

Conservatives were the first to criticize the commission, regarding it as a weak substitute for their proposals that a career civil service be established and that an attorney general and a comptroller with a different political affiliation than the chief of state's be appointed.



The minister and several Liberals immediately came to the defense of the commission. The commission will look into the complaints that the parties file in connection with violations of political rights, the involvement of public officials in campaign activities and the disruption of precampaign activities.

The investigations will be conducted by the Interior Ministry, the Attorney General's Office and the Registration Office. Based on their findings, the commission will recommend to the administration measures "to guarantee the integrity of the vote."

The ministers of the interior, justice and communications, the registrar and the attorney general will attend its deliberations. Besides the parties represented on it, other groups may attend the meetings at the commission's invitation.

### Armed Proselytizing

The issue of armed proselytizing was the focus of the debate that the UP had called for. It argued that there are members of the Armed Forces who are undertaking such action "for the benefit of the ruling party."

The UP announced that it rejected "any act of armed proselytizing conducted in our name during the campaign, because we need no help to gain popular support." They also called on the administration to guarantee civilian enforcement of law and order during the campaign and to withdraw the military personnel that are preventing them from operating.

The president of the party, Bernardo Jaramillo, contended that in spite of President Barco's promise, law and order have not been enforced by civilians and that unless things change, the tribunals of guarantees would be of no use. He therefore asked that the commanders of battalions and brigades be included on the regional commissions.

Even though the minister had already come out against it, he insisted that the government call on the United Nations to send special observers to regions "in which the Liberals want to win the elections at all costs by availing themselves of the military."

He asserted that armed proselytizing by the guerrillas is as reprehensible as any that members of the Armed Forces may engage in. He underscored the complaints that brigade commanders in Uraba have hindered the party's political work. "We cannot tolerate a general putting on a party T-shirt to help it out," he said.

Henry Millan also asked the Armed Forces not to take part in the electoral process. "Let's take off the mask of the military's impartiality," he added.

He was talking about the situation in the Caqueta, where he asserted that the governor has come out in favor of his party, which fears that it will lose five or six mayoralty elections, and that Col Edgar Ramos has begun persecuting the UP. "Liberal congressmen are blackmailing the generals with the argument that their promotions have to be approved by the Senate," he stated.

Both congressmen condemned the obstruction of a Liberal political event last Sunday in Florencia, but they asserted that officials have attended such events and that the use of official dump trucks has been permitted.

### Criticism of Commission

The first Conservative criticism of the Guarantees Commission came when Minister Gaviria replied to the UP. Representative Luis Gutierrez expressed doubts about its effectiveness, saying that the administration is not in a position to offer real guarantees, "not just electoral guarantees, but guarantees for the protection of human life as well."

He stated that "the tribunals are a sophism to distract us and make us believe that the administration is interested in a clean debate. But there are biased officials, such as Carlos Ossa, who arrange to be accompanied by Liberal politicians so that people will believe that they are spurring the rehabilitation plan."

In a laconic response the minister said that the fact that a party disagrees with the administration does not relieve it of its responsibilities and that the attorney general must see to it that public officials observe the law.

A spokesman of the ruling party, Guillermo Alberto Gonzalez, defended the administration's move, recalling that there is a civilian attorney general for the Armed Forces and noting that the registrar, a Conservative, represents a guarantee for the opposition.

"It is not right to say that the administration is preparing a fraud or is using governmental power to bring about an electoral result. We Liberals will not ask the administration for any advantage or to treat us differently from the other groups," he asserted.

The minister regretted that the Conservative Party had not voiced its opinion of the commission when it had been asked to, noting that the decree establishing the commission can be amended.

He stressed that the administration's policy is to guarantee the elections throughout the country, that it has instructed the governors to remain politically impartial and that those who do not would be punished.

He explained that the commission is not a substitute mechanism, nor is it just for show or to distract attention so that the opposition does not challenge administration

actions. "Nor can it be called superfluous, because it contributes to a clean debate and does not prevent other decisions from being made." He added that when the sessions of Congress are over, its members would have no better forum in which to file their complaints.

Gaviria hailed UP's rejection of armed proselytizing, "which is a concern of all, because it would adversely affect the integrity of the vote, jeopardize the validity of the elections and be a disgrace to democracy." He went on to say that the members of the Armed Forces also have an obligation to guarantee free elections.

### The Decree

The following is the text of the decree establishing the Tribunal of Constitutional Guarantees:

Decree Number 2036 of 27 October 1987, establishing a Commission of Electoral Guarantees. The president of the Republic of Colombia, pursuant to his constitutional and legal powers, and

Whereas:

1. The government is determined that the upcoming elections for mayors, councilmen and deputies will proceed in complete normalcy.
2. It is the government's duty to see to the integrity of the vote.
3. It is necessary to guarantee the strictest impartiality of public officials in the election campaign.
4. Political parties and groups must enjoy the guarantees necessary for the normal unfolding of the elections.
5. In pursuit of the aforementioned objectives and duties, a National Commission of Electoral Guarantees ought to be created to supervise the electoral political process, to submit to the government whatever complaints and protests the political parties, groups and movements may wish to present through it, and to recommend the measures that ought to be adopted to guarantee the normalcy required by the political and electoral activities that the constitution and the laws of the republic authorize and ordain.

Decreases:

Article 1. A National Commission of Electoral Guarantees is hereby created to supervise the electoral process, in accordance with the provisions of the whereas clauses in this decree.

The commission shall consist of:

Five members appointed by the governing bodies of the Liberal Party.

Five members appointed by the governing bodies of the Social Conservative Party.

Three members appointed by the governing bodies of New Liberalism.

Two members appointed by the governing bodies of the Patriotic Union.

One member appointed by the National Conservative Movement.

Article 2. Other political parties and movements that are recognized as such by the Electoral Court and that are not part of the National Commission of Guarantees may participate in its meetings to take up matters having to do with their political guarantees. To this end they shall request that the commission invite them, through a representative, to attend the session or sessions at which the corresponding matters are considered.

Article 3. The nation's attorney general, the national registrar of civil status, and the ministers of the interior, justice and communications, or their delegates, shall attend the deliberations of the commission on a permanent basis.

Article 4. The following are the functions of the National Commission of Guarantees:

- a. To collaborate with the government in the normal unfolding of the electoral process that is to culminate on 13 March 1988, to guarantee the free exercise of the right to vote;
- b. To receive and analyze the complaints and protests that political parties and movements submit through it to the government over violations of political rights or disruptions in their exercise.
- c. To analyze the protests that political parties or movements submit to the government over the involvement of public officials in politics.
- d. To submit to the government the recommendations that it deems pertinent to achieve the normal unfolding of the election campaign and to guarantee the integrity of the vote.
- e. To recommend the creation of Sectional or Municipal Commissions of Electoral Guarantees that shall perform functions similar to those of the National Commission in their jurisdictions.

Article 5. The commission shall function from the time of its installation until the culmination of the elections scheduled for 13 March 1988.

Article 6. The investigations to which the complaints and protests submitted to the commission give rise shall be conducted by officials of the Interior Ministry, of the

Office of Attorney General of the Nation and of the National Registration Office of Civil Status, after the respective body has established a committee. When the committee is established, it shall be determined how and when the empowered official shall submit the corresponding report.

Article 7. The commission shall be chaired by the interior minister, and the secretary general of the Interior Ministry shall be its secretary.

Article 8. This decree takes effect as of the date of its publication.

To be published and enforced. Issued in Bogota, DE on 27 October 1987 [signed] Virgilio Barco Vargas, president of the republic Cesar Gaviria Trujillo, minister of the interior

8743

**Sugar Exports To Be Terminated in 1990**  
33480005b Medellin EL COLOMBIANO in Spanish  
27 Sep 87 p 11a

[Interview with ASOCANA Board Chairman Luis Ernesto Sanclemente Crespo by Diego Hernan Canal; date, time, and place not given]

[Text] Cali (Colprensa-El Pais)—Colombia will suspend sugar exports in 1990, and national production will be devoted to the domestic market, stated the chairman of the Board of Directors of the Association of Colombian Sugarcane Growers (ASOCANA), Luis Ernesto Sanclemente Crespo.

The sugar sector leader asserted that the sugar agroindustry is not going through good times. "The situation is critical," he said, emphasizing that the sugar loaf problem was created by "the demagoguery of the manufacturers of that food."

## Interview

Sanclemente granted the following interview to Colprensa-El Pais:

[Question] The plight of sugar producing countries was discussed recently at the OAS. What is the situation, specifically in the Cauca Valley?

[Answer] At a recent meeting of the OAS, the matter was evidently brought up by the ambassador from the Dominican Republic. The specific issue was the United States' reduction of its sugar import quota from the countries of this hemisphere, and the serious impact of this measure was discussed.

It is true that the United States is approaching self-sufficiency in sugar by expanding cane growing in the states of Florida and Louisiana, and based on the production of beet sugar in 21 states of the Union. In addition, the manufacture of caloric sweeteners, primarily high fructose corn syrup, and artificial non-caloric sweeteners has been stepped up. In this way, the United States hopes to avoid having to import sugar beyond 1989.

[Question] Is the European Economic Community still exerting pressure on the market?

[Answer] Not only do we have to deal with this situation, but also with what is going on in the European Economic Community. Seven years ago, the EEC was a net importer of sugar, but today it exports 6 million tons a year, with protection in the form of high subsidies amounting to \$340 per ton sold.

The United States, which imported 6 million tons a year a decade ago, now buys only 1 million tons, and in 2 more years it will not import any.

Thus, that market has become residual; only 16 percent of world production goes there, and it is on the verge of disappearing.

[Question] How is Colombia preparing to meet these challenges, Doctor?

[Answer] Colombia currently has an installed capacity to produce 1,350,000 metric tons of sugar. The domestic market for national consumption will account for 1 million tons this year, meaning that we have a great sweet tooth as a nation. Our per capita consumption of sugar is approximately 28 kilos; the figure for sugar loaf is 120 kilos.

That is why we have been diversifying the utilization of sugar. This sugar year the animal feed industry will consume 550,000 tons of raw sugar, which has a high energy content and can advantageously replace sorghum in the animal diet.

## Leadership

[Question] Do you believe that the depression in the Cauca Valley sugar sector, stemming from the international crisis, has caused that department to lose its leadership position?

[Answer] I don't think the Cauca Valley has lost its national leadership as far as the agriculture-livestock sector is concerned, as has been asserted rather inaccurately. The Valley is and will continue to be the leader of Colombian agriculture, because its sugar agroindustry accounts for 130,000 hectares of land, with 13 sugar mills that provide year-round employment for 40,000 workers at the highest pay in the country.



I should point out that regional sugar production is worth about 70 billion pesos a year. This industry pays 24 billion pesos in wages and social benefits; it consumes 31 million gallons of fuel, 45,000 tires of all types, and 32,000 tons of fertilizer.

All of this was made possible by the rapid development of the sugar agroindustry after 1960. Production went from 300,000 tons to 1,300,000 tons per year; but the sectors cannot continue growing indefinitely at the same pace and with the same rates, because of these problems.

[Question] So the sugar agroindustry will put on the brakes?

[Answer] We don't want to have more cane than the 130,000 hectares already under cultivation in the Valley. We have introduced new technology to boost the yield from 80 to 125 tons per hectare. That is an astonishing growth of productivity which would be difficult to achieve in any other agricultural sector.

08926

#### **Bottlenecks in Petroleum Refining, Transport Reported**

33480005a Medellin EL COLOMBIANO in Spanish  
28 Sep 87 p 2A

[Text] Bogota (Colprensa)—Minister of Mines and Energy Guillermo Perry Rubio acknowledged that there is a "bottleneck" in the nation's pipelines that prevents any increase in hydrocarbon production. He announced that various alternatives for facilitating the transportation of a greater volume of crude oil are under study.

Two pipelines, the central one in Los Llanos and the one in Huila, are unable to handle the potential production of crude in these two important Colombian oil regions.

In the case of Los Llanos, the pipeline, currently under construction, was designed to carry 70,000 barrels per day from the areas of Casanare and Meta; today production in those two provinces is up to 100,000 barrels, and new discoveries are likely to drive that figure higher, stated the minister.

Perry pointed out that the pipeline's capacity has clearly come up short, and consequently the government has decided to negotiate with the contractor to widen the diameter of the pipeline and install an additional compression station.

With regard to the problems in transporting crude from Huila, the official, who appeared on the program "Person of the Week" on the Caracol network, stated that talks are being held with the firms associated with the Colombian Petroleum Enterprise (ECOPETROL).

#### **Alternatives**

One of the alternatives is for the associated firms to build part of a new pipeline on their own, explained Perry.

The present pipeline has a capacity of 72,000 barrels per day, while current production in Huila exceeds 90,000.

The associated firms in that department would build the section between the existing fields and the area of Magdalena Medio, while ECOPETROL, with the associated firms in both that region and Los Llanos, would build the section between that area and the Atlantic Coast, or to Bahia Malaga on the Pacific, explained Perry Rubio.

The inability to boost production in the face of transportation constraints not only limits export possibilities, but also restricts the royalties that greater exports could yield for municipalities and departments, the minister admitted.

#### **New Refinery**

In addition, Minister Perry Rubio mentioned the new refinery, which will eventually be located in Puerto Salgar (Cundinamarca). He announced that the technology involved will allow for the production of more gasolines and less fuel oil, because in the future the latter product will be replaced by coal and the country will have no use for any surpluses generated.

"The expansion of the refinery is imperative, and for this reason the government has begun a series of studies, backed up by international advisers, to determine the right time to carry out the project and the features it should have," said the official.

In his statements to Caracol, the minister referred to the fuel supply problems in the border areas, and announced that they are being solved now.

Distribution will take place through "Terpeles," and supply plants have already been installed in Arauca, Puerto Carreno, Puerto Inirida, and Leticia. In other remote regions of the country, in cooperation with the Administrative Department of Intendancies and Commissariats (DAINCO), a program is being carried out to provide storage facilities to these areas.

The National Border Territories and Zones Program has been entrusted to the Terpel of Bucaramanga.

The head of the Ministry of Mines and Energy also discussed the operation whereby ECOPETROL will purchase 25 percent of the El Cerrejón Norte project.

The transaction will entail setting up a subsidiary of Colombian Coal, Inc. (CARBOCOL) that would be in charge of managing the Colombian share of the project.

CARBOCOL and ECOPETROL would split ownership of the subsidiary fifty-fifty.

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### **Support Planned for Small, Medium Mining Firms**

33480005c Bogota EL ESPECTADOR in Spanish  
29 Sep 87 p 14a

[Text] The Ministry of Mines, through Colombian Coal, Inc. (CARBOCOL), has implemented a program to support small and medium mining companies. The program calls for the legalization of producers, financial and technical support, and the promotion of the use of coal in national industry.

The program was designed to counteract the low production levels and inadequate use of resources that have characterized the development of this activity. In addition, there has been inconsistent legislation, scarce financial resources, a deficient infrastructure, precarious and unsafe operating conditions, and limited marketing of the product.

### **No Fear**

The program includes five subprograms. The first one, in the legal sphere, aims at legalizing mining holdings, 80 percent of which are operated extralegally. This subprogram will also resolve the litigations that are tying up many existing mines. In addition, current legislation will be revised so that CARBOCOL can act as administrator of coal resources and enter into direct contracts with the miners for exploiting these resources.

Dr Antonio Salazar, chief of the program, told EL ESPECTADOR that the miners have expressed a reluctance to participate in it out of fear of state intervention. Until now, the state has always stayed out of this activity. He added, however, that the government's intention is to solve this industry's problems by giving it a legal footing and establishing mining conditions that will make the activity profitable and safe. The report submitted by the minister of mines to Congress in July of this year states that 216 applications for legalization have been received, and 20 have already been resolved.

### **No More Deaths**

It is well known that mining conditions in the small coal mining sector have caused frequent tragedies with loss of life and resources. In view of this situation, a Support and Rescue Subprogram is being developed. It calls for the construction of five Mining Support and Rescue Stations (EAS) in Amaga, Jamundi, Sogamoso, Ubaté, and Zulia. Meanwhile, the subprogram is operating out of rented offices, and efforts are focusing on information gathering, analysis, and the execution of safety and rescue plans.

Furthermore, a series of Health and Safety Regulations have been drawn up and are being publicized. These regulations will govern underground work, and another set of regulations is being planned for surface mining. In addition, in conjunction with the development of a pact with the Polish Government, officials are studying the design of instruments such as the Mining Rescue System, the Mining Rescue Statute, courses to train rescue personnel, tactics for rescue operations, and other activities aimed at preventing new tragedies.

Another subprogram is oriented toward technical support for coal mining, to make it a technical operation with minimal environmental impact and maximum safety. For this purpose, a publicity campaign has been developed to make use of the mass media and to strengthen the basic training necessary for the technical staff of the Sogamoso Mining Center, with the cooperation of the Sena. Moreover, consultation and direct technical assistance will be provided for the miners, both in management and in operations.

### **Problem: Money**

Nevertheless, according to the Ministry of Mines, the greatest obstacle facing the Mining Support Program is the shortage of financial resources. To overcome this stumbling block, CARBOCOL has signed fiduciary agreements with financial organizations to obtain credit for miners. As of late July, nearly 350 million pesos had been obtained, and applications for 90.5 million pesos had been received.

Additionally, CARBOCOL hopes to consolidate the National Coal Fund as an instrument for attracting funds from coal earnings so that they can be plowed back into coal development. Dr Salazar indicated that in this connection, the National Coal Fund is rather similar to the National Coffee Fund, which has yielded inestimable benefits to coffee growers.

Salazar stated that the contributions to the Fund in the form of taxes paid by small and medium mining firms are relatively insignificant, but that the Fund is being reinforced with funds from the El Cerrejón project. Thus, it is assured of sufficient resources to carry out the support program.

### **Who Buys Coal?**

The success of the small and medium coal mining sector depends on the marketing possibilities for domestic consumption, given that the production volumes, the inadequate transportation infrastructure to ports, and the depression of international demand make exports difficult. But at the present time, domestic demand is not very high, and a market policy must be designed to expand consumption.

CARBOCOL is working on research aimed at cutting mining costs through operational efficiency, on the one hand, and developing industrial projects that include the use of coal, on the other hand. With respect to this point, a survey was conducted of 2,477 boilers operating in the country, and as a result of that survey, the technical and economic feasibility of replacing other fuels with coal is being studied. The program for the promotion of coal use in these boilers includes technical advice and financing for the necessary investments, using resources from the National Coal Fund.

Moreover, seven research projects are now being financed to look into the technical aspects and possible uses of this mineral, through the National Coal Research Fund (FONIC), with contributions from the National Coal Fund and Colciencias. The most outstanding aspects of this research are the possibilities for coking, the use of coal ash in thermoelectric plants, and the production of lean gas from coal, with the additional possibility of mixing it with natural gas for use in urban networks such as that designed for Bogota.

### Two Successful Examples

As examples of the proper mining and marketing of coal, the Ministry of Mines' report to Congress cites the efforts of Carboboyaca and Carbonorte, two enterprises in which the small and medium mining cooperatives share ownership with the Colombian Electrical Power Institute (ICEL) and the Boyaca and Norte de Santander electricity plants. The two enterprises are in charge of buying, selling and transporting coal for the operation of the Termopaipa and Termotasajero plants.

Carboboyaca currently sells 35,000 tons a month, with prospects for increasing that amount. It is negotiating for the cokable coal market in Spain. Carbonorte, meanwhile, markets 20,000 tons a month, which it obtains from over 40 different mines. It will boost its production by 22 percent through a contract with CARBOCOL, and it is conducting a study for the utilization and marketing of cokable coal.

08926



**Revised Chihuahua Church Documentation on Catholics, Democracy**  
32480011 Mexico City DOCUMENTACION E  
INFORMACION CATOLICA in Spanish  
27 Aug 87 pp 637-652

[Text of second draft of "Workshop on Catholics and Democracy," issued by Archbishop of Chihuahua Adalberto Almeida y Merino; Chihuahua, Chihuahua, 3 July 1987. For text of first draft of this document, see JPRS REPORT: LATIN AMERICA of 13 April 1987 (JPRS-LAM-028).]

[Text] Introduction

I would like to express my thanks to the various groups and individuals of good will who greeted the first edition of this "Workshop on Democracy" with such interest and who us their contributions.

The importance and currency of the issue are highlighted by the fact that the workshop has been received and studied with great interest, that it was quickly publicized in several areas of the republic and that the size of the first edition has been altogether inadequate to meet demand. It is clear that the study and implementation of real democracy at all levels are of paramount importance.

We have carefully gathered together the contributions and suggestions that we were sent, and I think that this second approach to such an exciting and urgent issue ought to be a little better than the former one.

The first chapter, "Reality and the Task of the Church in the World," is in response to the need, which the clergy above all feel deeply about, to specify theologically and with the proper Biblical foundation the church's duty, within her mission, to understand man in his comprehensive meaning and in accordance with God's most wise plan. Hence the urgency to guide him in his historic context, immersed in temporal realities, in accordance with Christian ethics and on the basis of the faith. There are other major and minor changes in this second workshop that readers will readily notice.

I hope that priests and other pastoral agents will promote these reflections on a larger scale and convey their contributions for a third edition to us in timely fashion.

Chihuahua, Chihuahua, 3 July 1987 Adalberto Almeida y Merino, archbishop of Chihuahua I. Reality and the Task of the Church in the World

The Origin and Destiny of Mankind

1. The world is not simply a collection of things; it is also man, who lives in it. The unity of mankind is not simply biological; it is personal, which implies a vocation and a destiny, because such unity is not something merely

given. Rather, because it is being forged, it belongs to the essence of the world, of mankind, conditioned in its progress by the free acts of man.

2. We are dealing, thus, with a historical world, a historical mankind which has before it a project, a task for which it has been created and which it has been invited to accept in response to the Creator's initiative of grace: "Let us make man in our image and likeness" (Genesis 1:26). This appeal for unity, for a vital communion between God and man and among men themselves, implies a divine gift, as it is based on the free will of God's self-communication.

3. Because sin was a break with God, the foundation of unity and harmony, it brought with it a break in the unity of the human adventure and of the universal solidarity of individuals. (Genesis 3:8-13 and 4:9). Precisely for this reason, in offering salvation, the Lord avails himself of specific individuals who are chosen to create this fraternal and communitarian structure: "I shall bless all of the peoples of the earth through your descendants," the Lord told Abraham (Genesis 22:18).

4. At the foot of Mount Sinai the Lord revealed himself to the Israelites as the Supreme Value for Man: "I am Yahweh your God...You shall not have gods other than me" (Exodus 20:2-3), thus inviting them, in an alliance sealed with blood, to realize their being as a people of God in an exemplary manner for all peoples and in service to all mankind (Exodus 19:1-6).

5. Such is this alliance, this interdependence and this communion between the people and God and among the individuals of the people, that anything that breaks the brotherhood is an offense against God himself and, consequently, grounds for an implacable accusation by the Lord: "Woe be to them who issue unjust laws and with their decrees organize oppression...Yahweh's anger is not spent..." (Isaiah 10:1-4). II. Christ, the Center and Culmination of History

6. "God has spoken to our ancestors on different occasions and in different forms through the prophets, until in these days, which are the last, he has spoken to us through his Son" (Hebrews, 1:1-2). The People of Israel, "the first-born son of God" (Exodus 4:22), were simply the figure of the future Messiah, the "son of man" and Son of God in the full sense of the word.

7. Jesus is not just a man, "one of us"; he is the Fraternal Servant par excellence for the benefit of all mankind. He is the envoy of the Father who has come to convert dispersed mankind definitively and fully into a congregated mankind. He is the envoy come to manifest and promote in Him the fullness of the destiny not only of the people of Israel but of all peoples of the earth, to make them "a single new man...a single body" (Ephesians 2:15-16), He Himself being "the definitive and eternal alliance," as He proclaimed at the Last Supper (Luke 22:20).

8. In fulfilling his mission, Jesus was not free of political involvement; on the contrary, he was placed on trial before Pontius Pilate, the holder of imperial power, a trial at which the judge was judged: "You would not have authority over me if it had not been given to you from on high" (John 19:11).

9. It was a trial at which the absolutist and totalitarian pretensions of the earthly powers were relativized and demythologized, as they were put in their legitimate temporal and provisional place. It was a trial at which there was a confrontation between the man who endeavored to escape his condition as a creature by attributing to himself rights of absolute power over his peers and the servant who with complete loyalty assumed the human condition, from its darkest and most painful roots, to orient it and pave its way towards its only valid horizon: to be a belonging of God, to be brotherhood, communion with God, to be a people, not of a man or a group of men, but of God (Isaiah 53).

10. With his entry into Glory through his death and resurrection, Christ has become "the Alpha and the Omega," the beginning and end of all human history (Apocalypse 21:6; John 12:32). As of "The Hour" of Christ (John 12:27 and 13:1), all mankind has established for itself the way in which it is destined to be consummated: as a people of God, a community of men unified in Christ.

11. With his entry into Glory, Christ has become the key event that founds and gives meaning to the world of man as history, precisely because mankind must become that which is already a fact in the glorified Christ: to transform itself into his Body, having Him as the Head (Ephesians 4:13, 16). For this very reason, henceforth every understanding of the world, every view of mankind must be posed, nourished and lived from this horizon, this future that was opened up at "The Hour" of Jesus.

#### The Church: the Permanent Presence of Jesus

12. "Just as the Father sent me, I send you...Receive the Holy Spirit; whom you forgive are forgiven" (John 29, 20-23). Like a new Adam, like the Spirit of Life, like the Prince of Life (Acts 3:15), Jesus breathes his Spirit into the Church, which during his public life he had already established upon Peter (Matthew 16:18-19) and the other apostles, so that it would be his presence, a public and permanent offering of his victory over sin, which is division and death, so that man can have within his grasp the "Yes" of full acceptance, of unconditional obedience to the God of Grace and of Life.

13. The Church founded by Christ and inspired by the Holy Spirit was established as of that moment and confirmed as the keeper and privileged instrument of universal reconciliation and as the key promoter of the mysterious destiny of mankind: to be the Body of Christ, to be the People of God. Precisely for this reason Saint

Peter says: "God then placed all things under the feet of Christ and placed him above all else, as the head of the Church, which is his body. The fullness of God remains in Him, and He displays his fullness in the Church" (Ephesians 1:22-23; see Colossians 1, 15-20).

14. This means that the consummation and perfection of mankind and of all things must be accomplished through the Church. Hence the Church cannot be regarded as a mere human association; rather, as a Community of Salvation, it is the seed of the Kingdom of God that has been sown in the world (Matthew 13:31), the expanding People of God, to declare and, at the same time, promote the historic project of mankind in Christ.

15. If the Church is the presence and the privileged bearer of Christ in the world, her history cannot be different from the history of Christ himself. It cannot expect a different future, because her very structure is an accusation: "The kings of nations behave as masters of them...You must not be like that. On the contrary, the most important among you shall behave as if he were the least, and he who commands as if he were the one who serves" (Luke 22:25-26).

16. Moreover, the faithful performance of her mission of authentic liberation and criticism does not have a different outcome: "They shall make you appear before the kings and governors because you bear my name" (Luke 21:12). This will also be an occasion to repeat the scene of the "judged judge": "To you this shall be the opportunity to bear witness to me...I shall give you so wise words that none of your foes shall be able to withstand or gainsay you" (Luke 21:13-15). "Remember that the world hated me before it did you" (John 15:18).

17. Consequently, shady deals, pharisaical collaboration or unspeakable alliances are in no way part of the Church's task, regardless of whether they have existed in certain eras and places or whether they still exist, and regardless of whether we must also admit that a painful historical burden weighs on the Church on this account.

#### The Church's Mission of Criticism and Liberation

18. We can conclude from all of the above that the Church's promises and task to promote freedom, peace, justice and reconciliation sink her roots into the purest Biblical tradition and, at the same time, place her fully in the sphere of social responsibility. It must be clear, furthermore, that these promises are not identified with any political system; on the contrary, they put the various conditions that mankind has achieved in their legitimate historical, provisional place, no matter how hard their defenders try to proclaim their accomplishments as absolute and unsurpassable.

19. Hence the Church cannot and must not renounce its evangelizing mission, which is both liberation and criticism vis-a-vis the social environment around it, inasmuch as it is not simply juxtaposed with social realities

but is within them like "seed, light, salt and yeast in dough" (Matthew 13:15-16), in accordance with what Jesus persistently besought the Father: "I do not ask you to remove them from the world but that you defend them from the devil" (John 17:15).

20. A true understanding of the Church's role clearly reveals that she is in the world not to preserve herself by seeking alliances with and privileges from the powers and authorities of this world, but above all to promote the coming of the Kingdom of God through the development of a new mankind that is destined to be in Christ "a chosen race, a kingdom of priests, a consecrated nation, a people whom God chose to be his own and to proclaim his wonders" (1 Peter 2:9).

#### Conclusion

21. We can say that the Church must play its role of criticism and liberation vis-a-vis social realities in three fundamental spheres:

a) The main criterion and reference point for all criticism and Christian social promotion is Love, with Christ as the perfect model of man, as a being for others and, moreover, accepted and lived through an unqualified decision for freedom, justice and peace for all.

b) It must always remain clear that history can never be encompassed by a specific political ideology, system or action and, consequently, that no pretension of absolutism or totalitarianism must ever be allowed or accepted.

c) Flesh and blood men must invariably be defended and protected against being regarded or used as mere materials or tools for the construction of a supposedly ideal technical-political society.

22. The guidelines that are offered herewith, taken from the Social Doctrine that the Church has developed over the centuries, have as their sole backdrop the destiny that the Creator himself has chosen to give mankind, as we have seen in the foregoing Biblical reflections. Their only motivation is the ardent desire of our local Church, consonant with the universal Church, to fulfill, in our own circumstances, the mission that her Founder and Teacher has entrusted it with by establishing her as the Mother and Teacher of all peoples and in accordance with what Saint Peter has also stated: "Woe to me if I do not preach the Gospel" (1 Corinthians 9:16).

#### To Reflect on:

1) Does man's life on earth have meaning and a purpose to achieve? Does man's relationship with God have something to do with this search?

2) Why do we say that Christ is the model and founder of a new mankind?

3) What relationship is there between Christ's mission and the Church's mission?

4) Does the Church's evangelizing mission have something to do with the social justice, peace and freedom that men seek in this world? II. [As published] The Current Situation and Our People's Aspirations

#### The Current Situation

23. The social and economic realities that the majority segments of our population (Indians, peasants, blue- and white-collar workers and others in the middle and lower classes) are experiencing tell us that Mexico has not achieved a just distribution of the cultural and material goods to which they are entitled.

24. Families often do not have specific opportunities to educate their children. Young people are demanding their right to attend college or advanced centers of intellectual or technical and professional development. Women are demanding equal rights with men. Peasants are demanding better prices and security in marketing. The growing middle class suffers from a lack of expectations. Professionals and experts have begun an exodus to more developed countries. Small-scale artisans and industrialists are under pressure from larger interests, and more than a few large industrialists in Latin America are steadily being taken over by worldwide corporations.

25. The Latin American Bishops spoke out against this widespread situation in our nations at Medellin (see Medellin, I Justice, I, 1). At the 1979 Puebla meeting as well, the bishops spoke of "the inhuman poverty in which millions of Latin Americans are living, as reflected, for example, in infant mortality, the lack of appropriate housing, health problems, starvation wages, unemployment and underemployment, malnutrition, job insecurity, massive, forced and defenseless migrations, etc" (Puebla, 29).

26. The social situation in Mexico seems to be worsening. In the economic sphere it seems that the country's affairs are being managed to the detriment of the people's interests. The foreign debt, inflation rates, the high cost of living and unemployment are depriving the people of hope. Health care, housing, schooling, etc are worsening. Social pathology and hopelessness are mounting.

#### Our People's Aspirations

27. We can see that an increasingly widespread grassroots awareness is taking shape today; it is not limited to the political parties and is already tending to encompass all segments of the population. This awareness is generating a broad mobilization whose objective is a more genuine democracy and more effective social justice.



28. Moreover, there is a growing grassroots awareness of what is not wanted for Mexico. The corruption, electoral fraud and social injustice that have pushed large segments of the population into poverty are indignantly rejected. There is also a greater awareness of grassroots involvement in the country's political life and system.

29. As can be expected, though, the path that must be followed and the ends that must be pursued to achieve the true liberation of our people are not clearly seen. Nevertheless, over and above limitations and doubts as to proper solutions, we can detect in our people a clear-cut aspiration to enjoy a more genuine democracy and a more perfect distribution of the opportunities and the goods that are necessary for life.

30. At Puebla 1979 the Bishops made common cause with the people's aspirations for "a more humane quality of life...a more just distribution of goods and opportunities...brotherly social coexistence in which human rights are fostered and protected...structural changes that insure justice for the masses...being regarded as responsible individuals and as subjects of history who are capable of freely making political, union, etc choices" (Puebla 1979, 131-135).

To reflect on:

1) How do you see the situation in Mexico with respect to the political participation of all citizens? Do you feel that the conditions for full participation are present?

2) Do you think that there is equal opportunity in Mexico for all citizens to secure enough education and to earn a livelihood?

3) Do you think that the people have a stronger desire now than before to perfect our democracy and achieve greater social justice? In what way do you see this? III. Relations Between Church and Politics and Between Church and State

#### The Church and Politics

31. In our time people often ask this question: Can the Church intervene in politics? The question cannot be answered without first specifying what we mean by politics and whom we are referring to when we say the Church.

32. Politics can be understood in two ways:

a) Politics in a broad or general sense: This is the politics that "looks to the common good, both domestically and internationally. Its task is to specify the fundamental values of every community...It defines the means and ethics of social relations..." It promotes the values that should inspire politics and represent the aspirations of the people, especially the desires of those whom a society tends to bypass (Puebla 1979, 521 and 522).

b) Politics in a strict sense or partisan politics. "This is the specific performance of political tasks by groups of citizens who seek to attain and exercise political power to resolve economic, political and social problems in accordance with their own criteria and ideologies" (Puebla 1979, 523).

33. When we say "Church," we usually mean Bishops, Priests, Deacons and Members of Religious Orders. But we should also include the lay faithful in the term. "The term lay designates all the Christian faithful, except the members of the holy order and those with a religious status approved by the Church. In other words, the faithful who are incorporated into Christ through baptism, integrated into the People of God, and made participants, in their own way, in the priestly, prophetic and real function of Christ, and who perform in the Church and in the world the mission of the entire Christian people in the area that corresponds to them" (Lumen Gentium, 31).

34. The Church, thus, is one. All of us, the laity, members of religious orders and the clergy, make up one single people, one single body. "The distinction that the Lord established between the holy ministers and the rest of the People of God entails solidarity, inasmuch as the pastors and the other faithful are linked to each other through reciprocal need" (Lumen Gentium, 32). There is no hierarchy without the laity, nor laity without the hierarchy.

#### Politics in Its Broad Sense or the Politics of Common Good

35. The common good of society is the set of conditions of social life that enable associations and each of their members to achieve their own perfection more fully and readily by providing man with everything that he needs to live a truly human life. It consists above all of respect for the rights and duties of the human person (Gaudium et Spes, 26; Dignitatis Humanae, 6). All of the members of the Church: the lay faithful, members of religious orders, deacons, priests and bishops, can and must participate in the field of politics in its broad sense or the politics of the common good (Puebla 1979, 521).

36. Bishops, priests and deacons can take part in the field of politics in its broad sense or the politics of the common good because politics in its broad sense, that is to say, the search for the common good, is a right and duty of every human being and, therefore, of priests and Bishops as well (Puebla 1979, 515). "Christianity must evangelize all of human existence, including the political dimension. It therefore criticizes those who tend to reduce the role of the faith to personal or family life, excluding the professional, economic, social and political spheres, as if sin, love, prayer and forgiveness had no significance there" (Puebla 1979, 515). "The need for the Church to be present in politics stems from the deepest part of the Christian faith: Christ's lordship that extends throughout life" (Puebla 1979, 516). "It is just

for the Church to preach the faith at all times and everywhere with authentic freedom, teaching her social doctrine, fulfilling her mission among men without any hindrance whatsoever and voicing her moral judgment, even on political matters, when the fundamental rights of the individual or the salvation of souls so demand" (*Gaudium et Spes*, 76).

37. Bishops and priests can take part in politics in its broad sense or the politics of the common good by discerning and shedding light on situations, systems, ideologies and political life on the basis of the Gospel and its social teachings (Puebla 1979, 511); by projecting the light of its word on politics and ideologies as a service to the people and as a secure guide for all those who in one way or another must take on social responsibilities (Puebla 1979, 512); by educating the consciences, by inspiring, by stimulating and by giving spiritual encouragement to the lay faithful (*Gaudium et Spes*, 42; Medellín, Peace, III, 20); by orienting the pursuit of politics from a strictly moral standpoint, by judging in light of the faith all of the good and evil that occurs in politics, because the eternal destiny of man is also judged in political activities.

#### Politics in its Strict Sense or Partisan Politics

38. Politics in its strict sense or partisan politics belongs properly to the lay faithful. It is up to them to establish and organize political parties with the appropriate ideology and strategy to achieve their legitimate ends (Puebla 1979, 524; *Gaudium et Spes*, 43).

39. Bishops, priests, deacons and members of religious orders must rid themselves "of any partisan political ideology that could condition their views and attitudes. They will thus be free to evangelize politics as Christ did, on the basis of a nonpartisan, nonideological Gospel" (Puebla 1979, 526). In the economic and social and mainly in the political arena, where various specific options are offered, priests have no direct role as such in decision-making, leadership or the formulation of answers (Medellín, Priests, 19). Priests must not be active, much less assume any direct function whatsoever in any political party (Synod 1971, Part II, 2b).

#### Relations Between the Church and the State

40. The State is the judicial-political body whose purpose is to achieve the temporal common good of a political society. The State must not be confused with the political system. The latter can change, but the State remains. Nor must we confuse the State with the Government. The Government is the team of men who temporarily exercise State power. Governments come and go; the State remains. Much less should we ever confuse the State with the person of the chief of State.

41. The Church is, simultaneously and indissolubly, the mystery of communion with Christ and a visible, institutional society governed by the Pope, the successor of Peter, and by the Bishops in communion with him (*Lumen Gentium*, 8).

42. There must be a distinction in Church-State relations. They must not be confused. There must also be mutual independence. This mutual independence is based on the different natures of both the Church and the State, because "just as we must recognize that the earthly city linked justly to temporal concerns is governed by its own principles" (*Lumen Gentium*, 36), we must likewise accept that "the Church, by reason of her mission and her area of responsibility, is not to be confused under any circumstances with the political community, nor is she tied to any political system" (*Gaudium et Spes*, 76). The Second Vatican Council established this principle with complete clarity: "The political community and the Church are independent and autonomous, each in its own field" (*Gaudium et Spes*, 76).

43. A logical consequence of the independence of Church and State is the necessary principle of freedom: "Freedom of the Church is a fundamental principle for just relations between the Church and the public authorities and the entire civil order" (*Dignitatis Humanae*, 13).

44. The independence that must exist between Church and State is not, however, an obstacle to sound cooperation between the two in a common service to man. The political community and the Church "are in service to the personal and social vocation of man, albeit in different ways. They will perform this service all the more effectively, for the good of all, the sounder and the better the cooperation between them is, given the circumstances of time and place" (*Gaudium et Spes*, 76).

45. The reply "Give to Caesar what is Caesar's and to God what is God's," which Jesus spoke to the Pharisees and Herodians who asked him: "Is it permissible for us to pay taxes to Caesar or not?" (Matthew 22:15-22; Mark 12:13-17; Luke 20:20-26), is often cited as an argument for denying the Church any right to voice her moral judgment on political matters. Is this interpretation correct? Jesus establishes the distinction between civilian authority and religious authority. But this does not mean that Caesar and God are two independence sovereigns, each reigning over a particular dominion to the exclusion of the other. It means, rather, that once the proper taxes have been paid to Caesar, we remain, like Him and along with Him, debtors and tributaries of the only Sovereign God, on whom all creatures depend and who is the Lord and judge of all. Jesus desacralizes political authority. His response implies, then, above all, that Caesar (the political authority, the Government, the State) is not God and that what belongs solely to God does not have to be surrendered or sacrificed to him.

46. We could summarize the New Testament's doctrine on the Church's mission in relation to the State as follows:

a) The Church must recognize all that the State requires for its existence. She must recognize the inherent validity of temporal society and the authority of the power exercised within it. The limit to the obedience owed it is none other than obedience to God, even if such obedience costs a Christian his life (John 16:3; Matthew 10:18-22).

b) The Church must maintain a critical attitude towards the State to put it on its guard against any attempt to overstep its bounds.

c) The Church must resist the pretensions of a State that exceeds its rights (for example, adherence to a religion or absolute obedience to an ideology) and must in its preaching speak out against such abuses of power as contrary to the will of God.

To Reflect on:

1) Do you feel that in speaking of relations between Church and State, people make the necessary distinctions between the two terms?

2) In partisan politics, what is the role of the lay faithful and of Bishops, priests, deacons and members of religious orders?

3) In light of the principles mentioned, how do you judge relations between the Catholic Church and the State in our country?

4) Why do church authorities have a duty and a right to speak out on economic, social and political matters and from what perspective?

#### IV. The Various Forms of Government

47. To achieve the perfection that they deserve owing to their dignity as individuals in all respects, men have from time immemorial joined together in society and adopted various forms of government.

48. Throughout history and in the different nations there have been various forms of government, from the most liberating to the most enslaving. And all of these forms coexist in the 20th century.

49. The 20th century has been and remains a witness to the following forms of government:

a) Totalitarian: in which grassroots participation in making the major political decisions that affect all is completely ruled out.

b) Authoritarian: in which grassroots participation is significantly restricted or not sufficiently guaranteed.

c) Democratic: in which an attempt is made through various institutional channels to make the participation of all citizens a reality.

50. The Church cannot be indifferent to the various forms of government. "The Church's necessary presence in political matters stems from the deepest part of the Christian faith: the Lordship of Christ that extends to all of life" (Puebla 1979, 516).

51. The criterion for evaluating the various forms of government must always be man, the human person, whose fundamental rights as an individual and as a group must be respected. On the basis of this criterion, the Church rejects totalitarian and authoritarian regimes as forms of government that are unworthy of man, because they are a "form of idolatry" (Puebla 1979, 500) and because they lead to the "abuse of the rights of others" (Ibid).

52. The Church recognizes that all peoples have a "dual aspiration to the equality and participation (that) a democratic type of society tries to promote" (Octagesima Adveniens, 24).

53. She also recognizes that none of the models of democratic society are completely satisfactory and that "the search among ideological tendencies goes on." Therefore, "a Christian has an obligation to take part in this search, both for the organization and for the life of political society" (Octagesima Adveniens, 24).

To Reflect on:

1) Why does the Church reject totalitarian and authoritarian forms of government from a moral standpoint?

2) Which form of government does Mexico's most resemble in practice? Why?

3) What forms of government exist in other countries? Mention the countries.

#### V. The Church and Democracy

What is Democracy

54. Etymologically, the term democracy, which consists of the two Greek words *demos* (people) and *kratos* (power), means the "power of the people." Saint Thomas Aquinas describes it thus: "Democracy, that is, the power of the people" (I, II, q 105, a 1).

55. Democracy is, above all, a state of mind, a lifestyle, a tendency. It is not just "a judicial structure and a political system," but rather "a way of life based on the constant economic, social and cultural betterment of the people" (Political Constitution of the United Mexican States, Article 3, I, a).



56. Democracy must be experienced in all realms of life: economic, social and political, in all segments of social life and within all groups. It would be unreasonable to sacrifice economic and social democracy to political democracy, as the liberal democracies have done, or political democracy to social democracy, as the so-called people's democracies have done.

57. The first principle of a democratic system is the sovereignty of the people: government of the people by the people and for the people; the people understood not as a class but as all citizens without distinction.

#### Democracy and Christianity

58. There is a deep-seated relationship between Christianity and democracy. It is a historic fact that Christianity has sown the substantive elements of democracy in the furrows of history: the dignity of the human person as a result of his origins and destiny; equality among all men in their personal nature; the concept of true freedom; the idea of the fundamental rights of man; the need for coexistence based on truth, justice and love.

59. Nevertheless, although there is a deep-seated relationship between democracy and Christianity, they are not identical, inasmuch as the profound substance of the Gospel's message cannot be reduced to any ideology or political system.

#### The Social Teaching of the Church and Democracy

60. The social teaching of the Church has maintained a position of neutrality on the various forms of government as long as they achieve the common good, allow each individual and group to develop harmoniously and effectively guarantee their fundamental rights. For example, Pope Leo XIII contended that pluralism among the several "modes of public governance" is licit as long as it is "just and oriented toward the common good."

61. The social teaching of the Church recognizes that democratic systems are better able to safeguard the fundamental rights of the individual and to assure the conditions necessary for social justice. For their part, Pius XI and Pius XII most energetically denounced totalitarian regimes (see Pius XI, "Non abbiamo bisogno," "Mit brennender sorge," "Divini Redemptoris"; Pius XII, Christmas radio message, 1944).

62. The Church's openness to and even outright support and promotion of democracy today should not be seen as an identification between the two. The Church does not identify with any system or ideology, nor does it seek in any way to canonize the term "democracy." First, because the term may conceal different realities that are not always of the same worth. Second, because even if we understand it in its finest sense, every system and every

ideology is transitory and tends over time to be outstripped. Having learned from history, the Church cannot commit itself once and for all to any system of government that may later become obsolete and be left behind by the successive waves of mankind's history, on which mankind is moving forward towards increasingly perfect forms of organization.

63. What interests the Church is what can be seen today as the essence of democracy: respect for the dignity of the individual, the search for the common good, the effective participation of all citizens in the decisions affecting them, access to all economic and cultural goods, respect for the fundamental rights of man, etc. These traits that we attribute to democracy are today common aspirations of mankind and are perfectly consonant with the Gospel's concept of man. Therefore, they must be part of any new system that may appear in the future. If they are absent in any system, it will necessarily be described as a step backward.

64. We must not forget that there may be different options and possibilities even within the scope of democracy. Therefore, the existence of various parties and approaches is inherent to democracy, and whether they are more or less appropriate will in any event be left up to the decision of the majority. Catholics must understand that the same faith can lead to different choices without thereby shattering the unity of the Church. They must bear in mind, however, the limits of their political partisanship, which could put them at odds with the moral principles of Christianity.

65. Finally, Catholics should bear in mind that the Christian utopia, which is perfectly possible not through human effort but by the Lord's promise, is the Kingdom of God. An eschatological kingdom that will have its perfect fulfillment at the end of time but that is even now moving forward in history through the evolution from less human to more human structures, which are the fruit of the struggle of committed men. In this regard, all systems, all ideologies and all forms of government are destined to be outstripped and to give way to other better ones. Far from stagnating and from absolutizing forms that are contingent in and of themselves, Christians are called upon to seek new horizons eagerly and creatively, placing their faith in God alone.

#### Democracy in the Church

66. The Church is the living sacrament of Christ inspired by the Holy Spirit. Its makeup cannot be likened to that of any ordinary human society. The Church cannot be conceived of as either an absolute monarchy or as a democracy. The Church is a "communion," within which, by Christ's will, there is an episcopal ministry whose head is the Pope; the ministry is in service to the Word, to the tending of the flock and to sanctification.

67. The structure that the Church's Divine Founder gave it is hierarchical. But the Church's authority is neither dominion nor privilege; it is service. Jesus made this very clear: "You know that the heads of nations behave like their owners and that the powerful make their authority felt. It shall not be so among you. On the contrary, he who aspires to be more than the rest shall become the servant of the rest. In imitation of the Son of Man, who came to serve, not to be served" (Matthew 20:25-28). Vatican II established the principle of the sense of service of the Church's authority: "The mission with which the Lord entrusted the shepherds of his people is a true service, which the Holy Scripture properly calls 'deaconry,' that is ministry" (Lumen Gentium, 24).

68. Some of the fundamental principles of a genuine democracy are compatible with the theological nature of the Church:

a) The principle of the fundamental equality of all Christians: "There is genuine equality among all the faithful as to dignity and action" (Lumen Gentium, 32).

b) The principle of the dignity and freedom of all members of the People of God (Lumen Gentium, 9).

c) The principle of the participation and joint responsibility of all its members.

d) The principle of the plurality and variety of charisms and ministries among the People of God. Plurality in unity.

e) The principle of dialogue (see Paul VI's "Ecclesiam suam") and subsidiary status, which means that the higher body does not do what the lower one can.

To Reflect on:

1) What relationship is there between democracy and Christianity?

2) Can the Church identify with a given system or ideology? Why?

3) What fundamental values of mankind does the Church recognize as existing in a genuine democracy and does she try to support and promote?

4) Since the Church is faithful to the fundamental structure that her Founder gave her, what democratic principles or values can she live by internally?

#### VI. Toward a Comprehensive Democracy

#### The Current Validity of Some Traditional Institutions of Democracy

69. We currently view as still valid the traditional institutions and structures of democracy that subsist in various forms of government:

a) Popular suffrage b) Representative government c) Separation of powers d) Pluralism of parties e) Legal guarantees for the fundamental freedoms: of expression, of self-organization, of religion.

#### A "Pro Forma" Democracy Is Not Enough

70. Nevertheless, experience tells us that a "pro forma" democracy that possesses these traits is not enough in practice, because they are often reduced to mere legal principles that are far from being applied in practice.

71. A "pro forma" democracy is different from a "substantial" democracy; that is to say, the form and substance of democracy are different. A "pro forma" democracy maintains only "the forms": popular suffrage, separation of powers, etc, but they are just a facade. Deep down, in the "substance," there is no genuine democracy.

72. Democratic institutions are often manipulated and neutralized by:

a) The predominance of economic power over the three constitutional branches: the legislative, executive and judicial.

b) The Executive Branch's absorption of the Legislative and Judicial branches.

c) The lack of adequate information at all levels, which hinders the appropriate participation of the citizenry.

d) The cultural backwardness of broad sectors, which excludes them from any involvement.

e) Excessive bureaucracy, etc.

73. As a result of these deviations, the modern democratic State has often come to be, paradoxically, antisocial, individualist, manipulated by privileged groups and excessively legalistic.

74. It is with good reason that various groups tend to question a purely electoral democracy that does not guarantee, after an election, a social and economic democracy in which all sectors and all citizens have access to the goods necessary for a life worthy of the name. Thus, there can be no true democracy if the only concern is electoral participation and if social justice is neglected.

75. But we must also be on our guard against the dangerous delusion of those who disdain electoral democracy and are concerned only with economic democracy. Such radicalism is wont to give rise to paternalistic and even totalitarian regimes, which under

the pretext of meeting the material needs of all individuals in egalitarian fashion, sacrifice freedom and participation and even repress other fundamental rights of the individual.

#### Toward a More Substantial Democracy

76. As the fruit of freedom, then, democracy is not an acquisition that is made once and for all. Not only must it be always regarded as imperfect, but it is also liable to regressions. Hence, there must be a continual move towards more substantial democracy through:

a) The strengthening of institutions of direct democracy, such as the referendum.

b) Electoral participation that, with increasingly universal suffrage, is designed not only to elect representatives but also to approve and monitor specific political programs.

c) Growing esteem for public opinion.

d) Assurance of sufficient education for all citizens and access for all to impartial and objective information.

e) Electoral sanction, whereby the people can, through their free and respected votes, withdraw their support from authorities, parties and programs that do not satisfy them and try other paths.

#### Democracy as a Comprehensive Process

77. In order for democracy to be effective, it must be a comprehensive process that encompasses all social dimensions and gives rise to equal rights and duties and to just participation in all human goods in the physical life of men. Therefore, true democracy will mean equitable participation for all men in economic goods, in health, in information, in culture, in politics and in all social spheres. True democracy is not limited to politics or to decision-making; rather, it must extend to an effective sharing in benefits.

78. The social teaching of the Church portrays democracy to us as a process and, therefore, encourages and supports all efforts to broaden and intensify democracy.

79. The full participation of all in the economic sphere deserves special attention, though this does not mean detracting from the importance of the other spheres. As we said before, a democracy that limits its concern just to elections runs the risk of being nullified in practice if a majority of citizens are not sharing in production processes and in access to the material goods that are necessary for life.

80. Two systems are vying today for control of the economic sphere: free-market capitalism and Marxist socialism. Neither has succeeded in overcoming the contradiction between labor and capital, which lies at the

root of the social conflicts of our time, above all because they both exclude in practice the effective participation of the workers in enterprise decision-making and in the equitable distribution of the fruits of their labor.

#### The Necessary Components of a Democratic Society

81. Democracy must also extend to economic life: in the enterprise, in professions, in national and international frameworks. The social doctrine of the Church teaches that economic and social activity must move forward towards the consolidation of the shared enterprise, in the different forms that human creativity has discovered or may discover: joint management, cooperativism, etc.

82. Another component of a sound democratic society is the legitimate autonomy that the intermediate groups or organizations should enjoy vis-a-vis a nation's government: unions, professional associations, associations of parents, teachers...enterprises (aside from those of strategic national importance), universities, etc.

83. The autonomy of intermediate organizations does not void the State's responsibility to intervene legally in all of the activities that are carried on within the setting of the nation. However, such intervention must in any event be consistent with the principle of subsidiary status, which states that a higher body should not do what a lower one can.

84. A totalitarian regime by its nature endeavors to control all of the activities of the citizenry, even going so far as to try and control thought and belief.

85. In a democracy, intermediate associations play a natural mediating role in relations between Government and individuals. They afford the latter the opportunity to organize themselves for more orderly and effective involvement in the consultations and inputs that are typical of a democratic system and that, moreover, are a school that trains citizens in the practice of democracy.

86. The continuous building of democracy implies the constant education of the citizenry: in the family, at school, in unions, in the various social and civic movements, in the mass media. Such education requires practical experience rather than training in theory.

87. A indispensable component of every State is political power, as represented by the government or authority that the people themselves elect. Political power must serve the common good in all its dimensions: social, economic, cultural, religious, etc without discrimination as to group, social class or creed. Political power runs the risk of becoming absolute, however, by detaching itself from the sovereign will of the people and seeking only the interests of an individual, a group or a party. In this case, the political power represented by a government or system becomes the main enemy of democracy and the main obstacle to achieving or recovering it.



88. In a democratic society, the State's authority is revealed to be as necessary as in any other form of society, provided that the State can remain within its natural limits and guard against statism and authoritarianism.

89. Another major element to be borne in mind in the practice of genuine democracy is the relationship between natural law and positive law. We know that the concept of natural law has little acceptance today, even though modern man is very sensitive to fundamental human rights. Several formulations of these rights have been drawn up, prominent among which is the "Universal Declaration of Human Rights" San Francisco, UN, 1948). Now then, we can readily see that human rights are merely the expression of natural law, transformed into a body of natural laws, to which all positive law is obliged to subordinate itself.

90. It is understandable that the notion of positive law that regards the State and, specifically, government bodies, as the source and supreme standard of laws, has been carried to an extreme by totalitarian or authoritarian regimes. They thus attempt to cloak with "legality" actions that are at odds with the most elementary justice by means of laws that satisfy only their desire for domination.

#### To Reflect on:

1) Why is a purely "pro forma" democracy often not enough to enable all people to share in the decision-making and goods that they ought to?

2) What is the difference between "political democracy" and "economic democracy"? Which of the two is more important?

3) What can be done to make the family, the school, the enterprise, the union, the club or the very church community to which we belong, a school in which we can train for democracy?

4) Analyze Mexico's situation in these aspects: electoral, economic and judicial. What have we accomplished? Where are we lacking?

5) According to the social doctrine of the Church, how capable are free-market capitalism and Marxist socialism of resolving the social and economic problems of our homeland? What importance do the two ideologies attach to real and effective involvement for the people in making the decisions that affect them?

6) How should enterprises organize so that they are marked by greater democracy and social justice?

7) What are intermediate organizations? Do you know of any? What should the relationship be between a democratic government and the intermediate organizations? How are those relations in Mexico?

8) What is your idea of "natural law"? What examples of "natural law" could you give?

9) What differences are there between "natural law" and "positive law"? What relationship should there be between the two?

10) Do you think that a civilian authority can issue laws without bearing in mind the fundamental rights of citizens?

#### VII. Education for Democracy

##### The Urgency of Genuine Education for Democracy

91. Although justice and freedom are inborn aspirations of human beings, owing to the specific circumstances in which men live, to their culture and their upbringing, they may not always opt for a system of government that fosters their comprehensive development as individuals.

92. We must not forget that even the most unjust, repressive and corrupt systems that have plagued and still plague the 20th century have been maintained not only through the will of those who wield power but also with the enthusiastic and fanatical support of a great many citizens who justify these aberrations as what is best for the nation.

##### Learning Democracy

93. Democracy can be the fruit only of a certain moral environment, of a frame of mind among individuals that leads them to esteem the practice of freedom and justice, to seek it eagerly and to regard it as a constant task.

94. We can gather from the above how important specific education for democracy is, that it must be a permanent task among individuals and groups and that it must be pursued in all of the spheres and structures in which man lives and carries on his activities.

##### The Family

95. It is in the family that individuals are basically trained to devote themselves to others. It is also there that authority is learned as a service, that mutual assistance, friendship and brotherly devotion are experienced, and that all of the moral virtues that prepare children to fulfill their social vocation are developed. "The family is the first school of the social virtues that all societies need" (Gravissimum Educationis, 3; Gaudium et Spes, 54).

96. Among the main obstacles that the family encounters in its task of developing social virtues in its members is the current materialistic and hedonistic atmosphere that has been created in our society, above all by the mass media with their messages of sex, greed, violence, power

and ostentation, which help to propagate divorce, marital infidelity, abortion, the acceptance of free love and premarital relations (Puebla 1979, 573).

97. The impact of underdevelopment on the family is no less negative. "With its depressing indicators of disease, poverty and even destitution, ignorance, illiteracy, inhuman living conditions and chronic malnutrition," it leads to a social pathology marked by physically and mentally defective human beings who are susceptible to injustices of every sort" (Puebla 1979, 571).

#### The School

98. Education is incumbent above all on parents. Although the State, schools and private institutions play a considerable role in this field, they can never displace the family in its fundamental responsibility.

99. Education is a cultural activity that must aim at humanizing and personalizing man by promoting his thinking and freedom, so as to turn the pupil into the agent not only of his own development but also of society's development (Puebla 1979, 1025 and 1030).

100. More than a few educational institutions impart acritical, repetitive and domesticating instruction that is alien even to the very cultural substance of the pupil, thus preventing him from becoming a principal in the progress of his own society and condemning him to the sole aspiration and destiny of becoming a cog in the very system that fosters this kind of instruction.

#### Intermediate Groups

101. Man's right of assembly and self-organization stems from his intrinsic sociability; the purpose of this right is to foster the development of the personality of the members by providing for their needs, rights and duties.

102. "These organizations will foster a practical and effective manner of taking part in political decision-making with a critical awareness, so that, situated as they are between rank and file organizations and the public authorities, they can more effectively represent community values and defend the interests, aspirations and contributions of a segment of the social fabric vis-a-vis government and society" (Mexican Episcopal Conference, "Christian Commitment with Regard to Social Options," (1975), 107).

#### Unions

103. Among the so-called intermediate groups in economic and civilian society, unions are particularly important because they are decisive for progress in a nation's social and economic life and especially because they represent the professional and economic grievances of the working class.

104. "The right to freely found labor organizations without risk of reprisal must be counted among the fundamental rights of the human person. Genuine organized participation will enhance the workers' sense of responsibility and make them feel like active agents in the overall task of economic and social development and of achieving the universal common good" (Gaudium et Spes, 68).

105. "The peasant and labor union organization to which the workers are entitled must acquire sufficient strength and presence in the intermediate professional structure. Their associations will be a united and responsible force for exercising the right of representation and participation in production and national marketing" (Medellin, Justice, III, 12).

106. The State may issue regulations on the structures of the unions, but such regulations cannot hinder the development of the workers' initiative and responsibility.

107. The State is guilty of depersonalizing if through its political authorities it imposes leaders and decisions on the unions, reducing the workers to passive and silent tools of its totalitarian pretensions.

#### The Educational Task of the Church

108. "The lack of political awareness in our countries makes the educational action of the Church indispensable; such action is designed to make Christians regard their participation in the nation's political life as a duty of conscience and as the practice of charity in its noblest and most effective sense for the life of the community" (Medellin, Justice, III, 16).

109. Without denying the harmful or liberating influence of structures on the behavior of individuals and the need to transform these structures when so required, the Church contends, with the Lord, that it is from the heart of man that the vices and sins that degrade the human condition proceed. Therefore, with regard to democracy, the Church stresses that the personal conversion of individuals is necessary, so that from the bottom of their hearts they reject lies, selfishness and violence and embrace good, truth, justice and sincere brotherhood.

#### Christianity and a Change of Structures

110. Throughout history all peoples are faced not once but many times with the need to change their political and social systems when the prevailing ones have built up so many errors and have hardened to the point that they have become not only unworkable but intolerable as well. This happens above all when the violations of human rights and the lack of respect for fundamental freedoms have exhausted the patience of the people. This is the issue that the Mexican people are addressing with increasing seriousness.

111. Under such circumstances and when all peaceful and legal means of bringing about a change of structures seem to have been exhausted, the people's thoughts usually turn to armed struggle. Although all peoples through the ages, including ours, have utilized this method, the Church, which is gaining an increasingly deeper understanding of the Gospel, tends to regard the recourse to violence as barbarous and typical of the more primitive of mankind's states, which ought to be behind us today.

112. Indeed, the human costs of war are inordinate, and it often happens that the resulting situation eventually gives rise to injustices similar to the ones that were to be abolished, with a simple change of protagonists.

113. Therefore, it is with increasing conviction that the Church proposes "active nonviolence" or "peaceful resistance" as a means of changing unjust structures. The Church feels that this method, pursued tenaciously and to the bitter end, is not only as effective as armed struggle could be, but also achieves its objectives with less of a cost to the population, aside from being fully consistent with the Gospel.

114. Nevertheless, we must bear in mind that "nonviolence" is altogether part of the purest and most demanding education for democracy, because it demands a full-fledged change of outlook and attitude towards life and man, and the Gospel of Christ offers the finest motivations for such education.

To Reflect on:

- 1) Why is it urgent to train citizens in a genuine democratic manner?
- 2) Why is the family important for the learning of democracy?
- 3) How would you describe the instruction that is imparted in our schools? Is it training for democracy?
- 4) Is it the State's responsibility to grant freedom of self-organization? Why?
- 5) How important are the intermediate groups in training individuals for democracy?
- 6) Is there democratic organized labor in our country's public and private enterprises?
- 7) Is it within the Church's area of responsibility to train people for democracy? In what way?
- 8) What relationship is there between a change of heart (conversion) and a change of structures? Can there be one without the other? Why?
- 9) What do you understand by "active nonviolence" or "peaceful resistance"?
- 10) What characteristics must "active nonviolence" have to bring about a change of structures?

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**Recent Political, Economic, Social Developments**  
32480036 [Editorial Report]

The following items have been abstracted from reports published in various issues of the Spanish-language press in Nicaragua, as indicated. No 6 in a series.

**Nonelected Municipal Councils Advocated**—The establishment of Nonprofessional Municipal Councils was advocated by Ruben Ardaya Salinas, of INIES' [Economic and Social Research Institute] Department of Urban Research. Membership in these nonelected councils would be shared among mass organizations, political parties, trade unions, and other institutions and "people in general". The bodies would "support" elected officials and "discuss, plan, implement, and evaluate" community projects. [BARRICADA 17 Nov 87 p 3]

**Municipal Autonomy Discussed**—Monica Saldonado, deputy minister to the presidency, said that the law of municipalities presently under consideration should grant a greater degree of autonomy to local governments. She also indicated a desire for "greater participation" by the municipalities in drafting the law. [BARRICADA 10 Nov 87 pp 1, 8]

**Problems of Demobilized Youth Criticized**—Institutions dealing with demobilized youths suffer from "inertia, bureaucracy, and lack of initiative", charged Ricardo Baltodano, Managua's regional secretary of Sandinist Youth. Baltodano criticized the Ministry of Health for failing to assign one doctor per clinic to serve the demobilized, and blamed the Ministry of Labor for not resolving the employment problems of this group. Baltodano accused some "management or department chiefs" of "voluntarism" in placing obstacles to the absorption of the demobilized into the labor force. Baltodano also proposed that reserve mobilizations in military region 3 not take place during the school year, and that leadership of the Combatant Support Commissions be assumed by mothers of mobilized and demobilized youths. [BARRICADA 11 Nov 87 pp 1, 5]

**Students Mobilized for Coffee Harvest**—More than 4,000 secondary school students from regions 1, 4, and 6 will be mobilized during vacations to participate in the coffee harvest, stated Guillermo Jimenez, president of FES [Federation of Secondary School Students]. In addition, Ricardo Baltodano of Sandinist Youth announced that 500 university students will assist the coffee harvest in Matagalpa and Jinotega. [BARRICADA 15 Nov 87 p 9]

**Managua Schools in Disrepair**—Twenty-five of 40 schools in Managua's zones 4-6 are in need of repair, declared Mary Bolt of the Ministry of Education. She termed the situation "really dramatic" and blamed vandalism by "so-called youth gangs". According to Guillermo Jimenez of FES and Ricardo Baltodano of Sandinist Youth, some students will be mobilized during vacations to carry out repairs, instead of joining the coffee harvest. [BARRICADA 14 Nov 87 p 5]

**Mexican Donation for School**—The Mexican Embassy donated 72 million cordobas to Managua's Mexico High School, plus 3,500 books and some sporting equipment. The money will be spent to repair the school's roof and "hygienic services". [BARRICADA 10 Nov 87 p 2]

**Record Number of Students for 1988**—In 1988 a record 1,000,072 students will enroll in every level of education, estimates the Ministry of Education. Of this number 81,360 are pre-schoolers, 621,000 elementary school students, 145,000 secondary school students, and 180,000 adult education students. Registered in Nicaragua are 1,035 pre-school centers, 4,000 elementary schools, 230 secondary schools, 10 industrial and 26 business schools. [BARRICADA 10 Nov 87 p 1]

**22-Percent Malnutrition**—A roundtable discussion of the National Assembly's Committee on Health criticized the eating habits of Nicaraguans. The level of malnutrition for the entire country was given as 22 percent. [BARRICADA 14 Nov 87 p 1B]

**\$1.2 Million in Rents to Diplomats**—The government will realize an income of \$1.2 million from renting housing to diplomats for foreign exchange. An equal amount is estimated to go to black market entrepreneurs renting illegally. [BARRICADA 17 Nov 87 p 9]

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